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NEWS SUMMARY

GENERAL BUSINESS

Four die 49 hurt in train collision

Four people were killed and 49 injured when a high-speed express ploughed into the back of a stationary passenger train near Lurgavrie station on the Perth to Dundee line.

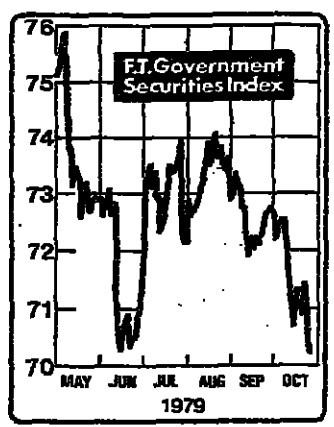
Among the 12 still detained in hospital last night was an elderly woman whose leg was amputated to free her from the wreckage.

Most of the injured were trapped inside carriages which plunged up to 20 feet into the mud of the Tay Estuary alongside the track. As the injured were freed it became clear that many would not have survived if the tide had been higher.

Gilts and equities fall: gold up \$1 1/2

GILTS fell as the upward pressure on U.S. interest rates seemed to postpone prospects for a reduction in MLR. Longs closed with falls extending to 1 1/2 while shorts fell by up to 1. The F.T. Government Securities Index fell 0.45 at 70.23.

EQUITIES were easier following announcement of the heavy T.I. losses and the Wall Street trend. The F.T. 30-share index closed 3.1 lower at 466.7.



Talks adjourned

The Rhodesia constitutional conference in London was adjourned after 30 minutes following presentation by Lord Carrington, Foreign Secretary and conference chairman, of a document containing Britain's proposals for the pre-independence transition. Back Page...

Air fares plan

British Caledonian Airways launched its plan to cut off-peak fares from Gatwick Airport to 23 European cities by up to 31 per cent. Sir Freddie Laker of Laker Airways is also to make a bid for lower air fares in Europe. Back Page and Page 4

Murder charge

Leonard Watkins, aged 40, described as a garage proprietor of unknown address, is to appear at Thames magistrates court today charged with the murder of Customs investigator Peter Bennett in Stepney, East London, last Friday.

Ordered out

Jewish settlers were given 30 days to quit the Eilat-Moreh settlement on the occupied West Bank after Israel's Supreme Court rejected a Government claim that it served a military purpose. Back Page

More strikes

A fresh series of strikes in Italy is intensifying pressure on the minority Government of Sir Francesco Cossiga. Public hospitals and much of the country's national health services are likely to be paralysed until Thursday. Page 3

Prague trial

Six leading Czechoslovak dissidents, all members of the Committee for the Defence of the Unjustly Persecuted, went on trial in Prague on charges of subversion. Page 3

Discount to go

The Government is to scrap Labour's electricity discount scheme and substitute proposals that will concentrate on the very old and poor families with young children. Page 9

Peking protest

Human rights movements took to the streets of Peking to condemn the 15-year sentence imposed last week on Wei Jingsheng, the former editor of an unofficial journal. Exploration, which had been critical of the country's leadership.

Briefly . . .

Confessed murderer Jesse Fisher died in the Nevada State gas chamber with a smile on his face, just as he vowed he would.

South African boxing fan was so upset at Gerrie Coetzee's defeat against American John Tate in the world heavyweight championship that he gassed himself.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:	Whitehouse (G.)	195 + 20
Adams and Gibson	York Trailer	47 + 5
Barr and WAT "A"	Oil Exploration	560 + 22
Bronze	Ulramar	386 + 10
Carole	Ashton Mining	81 + 6
Danish Bacon "A"	Northern Mining	75 + 7
Grafton Whouses 136x4	Parings	36 + 5
Greenland Props	FALLS:	
Brother "A"	Exch. 11 Dec 1984	593 1/2 - 1/2
Higgs and Hill	Exch. 12 Dec 1984	594 1/2 - 1/2
Highland Distillers	Allebone	25 - 6
Lon. Scot. Finance	GEC	353 - 8
Mothercare	Hambros Bank	317 - 8
Plym	Lister and Co.	55 - 6
Pye (Hides)	Midland Bank	347 - 6
St. George's	Moran (F.)	21 - 3
Laundry (Wores)	Pastor Shoes	230 + 10
Sketchley	Tube Invs.	280 - 14
Thurgar Baxex		

Government plans to outlaw insider dealing

BY RICHARD LAMBERT

Insider dealing could become a criminal offence in the UK early next year. The Government hopes to introduce amendments to the present Companies Bill during its passage through parliament to make this possible.

For 1979-80 unopposed The Department of Trade yesterday published a consultative document containing draft proposals for the proposed legislation.

Unless there are substantial objections to these clauses, they will be tabled by the Government as amendments to the Bill during the committee stage. This is likely to start within the next fortnight, and could be completed by Christmas.

Mr. Cecil Parkinson, Minister of State for Trade, yesterday urged all interested parties to come to a view as rapidly as possible on the proposals.

There are a number of major differences between the latest attempt to outlaw insider dealing and the clauses introduced in the Labour Government's Companies Bill last year. These were left stranded by the change in Government as was the Conservatives' first attempt to introduce legislation in 1973.

The overriding intention of the new clauses has been to define more precisely what constitutes an offence. There was widespread concern last year that the Labour Government's proposals would make it difficult for directors and employees to hold shares in their company in case they unwittingly broke the law.

The draft clauses define inside information as unpublished price-sensitive information relating to specific matters of concern to the company.

Such information will not be generally known to people who deal in the securities of the companies concerned. If it were generally known, it would be likely materially to affect the price of those securities. Such information would not normally be disclosed by an individual connected with the company "except for the proper performance of his functions in relation to the company."

Excluded from the proposals is information of a general nature, and information which it would be reasonable for an insider to disclose. Proposals to provide special investigatory powers have been dropped, and the prohibitions on dealing on a recognised stock exchange have been extended to cover deals through a range of other professional intermediaries.

The draft clauses were intended to strike at the guilty without prejudicing the innocent, Mr. Parkinson said. They would not "imperil employees and directors who wish to take a stake in their company: they will not prohibit institutional shareholders from taking a more active role and interest in the performance of companies in which they invest: financial analysts should not be inhibited from doing their normal job."

An individual who contravenes the provisions would be liable on conviction on indictment to imprisonment for a term not exceeding two years, or a fine, or both. On summary conviction, the penalty would be imprisonment for a term of up to six months, and/or a fine of up to £1,000.

The Government is planning further—as yet unspecified—amendments to the present Companies Bill. It wants to legislate quickly to tighten the existing provisions controlling loans by a public company to its directors, and to extend the sanctions to cover other credit transactions. Criminal sanctions will be applied where the law is flouted.

Debate, Page 9; Lex, Back Page

Interest rates up as shares fall in NY

By Stewart Fleming in New York

INTEREST RATES again rose sharply in New York yesterday as share prices tumbled during early trading. The atmosphere on the markets indicated more of the confusion and uncertainty which has reigned since the Federal Reserve Board stepped up its attack on inflation two weeks ago.

But dealers detect signs of central bank unease about the time it is taking for more orderly conditions to return to the markets.

In spite of the sharp sell off in the stock market on Friday afternoon and the abrupt rise in interest rates on Thursday and Friday last week, more of the same seemed to be in store yesterday.

By 2.30 pm the Dow Jones Industrial Average had lost 15.45 points to slip below the important 800 mark to 799.23. Trading was heavy at 36m shares and the transaction tape was running five minutes late.

Barely had the markets opened before the central bank intervened about 9.30 am to add banking reserves to the markets when Federal funds—overnight reserves banks lend each other—were trading at an astronomical 18 per cent.

The Fed's intervention in the markets yesterday morning to ease tight conditions did not halt the rise in short term money rates or a further decline in bond prices.

The Fed's intervention to add reserves followed developments which money market economists are trying to assess. Some suspect the action indicates that the Fed is uneasy about the turmoil its revised monetary policy has provoked.

Thus in spite of historically heavy bank borrowing from the Fed's discount window, and a discount rate which, at 12 per cent is well below money market rates, the Fed has not increased the discount rate as many had been anticipating.

It has emerged too that in the middle of last week Mr. Paul Volker, Federal Reserve chairman, had a private briefing of senior bank executives. He discouraged them from initiating abrupt changes in their prime lending rate (currently 14 1/2 per cent) solely on the basis of their cost of money when the money markets are so volatile.

Interpretations of what Mr. Volker intended to convey vary. One bank representative at the meeting suggested that at no time had the Fed chairman tried to dissuade the bankers directly from raising the prime.

Sharp rise in industry deficit

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE FINANCIAL position of industry has deteriorated substantially this year and is likely to become worse in the next 18 months.

Central Statistical Office figures published yesterday show that industrial and commercial companies had a financial deficit of £2.38bn in the first half of this year. This compares with a deficit of £1.18bn in the previous six months and £2.18bn for the whole of last year.

The deficit is the amount of money which industry needs to raise from other sectors of the economy, particularly through bank borrowing, after financing dividends, taxes and expenditure on capital investment and stocks.

The rise in the deficit in the first half of this year was mainly because of a £1.5bn jump in the amount required to finance stocks. This was a result of the higher inflation rate.

In addition, interest payments rose by 21 per cent during the first half while profit due abroad, notably from North Sea operations, increased by 42 per cent. The physical increase in stocks was also over £500m more than in the previous six months.

Most of the deterioration occurred in the first three months of the year when profit were squeezed and stock levels were disrupted by the bad weather and industrial disputes of the winter. Profits, especially from the North Sea, recovered during the second quarter, although inflation accelerated.

INDUSTRY'S FINANCIAL POSITION

—deficit of industrial and commercial companies* £m, seasonally adjusted

1977	-2,501
1978	-2,163
1st half	-1,052
2nd half	-1,131
1979	
1st half	-2,383
1st qtr.	-1,670
2nd qtr.	-713

Deterioration

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* Net acquisition of financial assets or amount which has to be raised, mainly borrowed, from other sectors of the economy after allowing for dividends, taxes and all capital expenditure.

Source: Central Statistical Office

Midland Bank's \$520m U.S. Heller deal is off

BY STEWART FLEMING IN NEW YORK AND MICHAEL LAFFERTY IN LONDON

MIDLAND BANK and Walter Heller International, the Chicago-based financial conglomerate, have abruptly terminated a \$520m (242m) deal designed to give Midland its long-sought-after base in the U.S. No reason was given last night for the break-up of discussions between the two.

Yesterday's announcement came after meetings between senior executives from Midland and Heller in Chicago last week. The deal, unveiled in June and subsequently approved by the boards of both companies, would have been the biggest foreign bank acquisition in the U.S.

Ironically, the brief announcement came less than a week after Midland disposed of the bulk of its long-standing 16 per cent stake in Standard Chartered, the UK-based banking group which recently acquired Union Bancorp of California.

A Midland merger with Standard Chartered had often been suggested in the past. But Mr. Malcolm Wilcox, one of Midland's two joint chief executives and the man directly responsible for international activities, said at the time that retention of a substantial shareholding in Standard Chartered was "likely to be inconsistent" with the way Midland saw its international strategy developing.

Mr. Keith Brown, banking analyst with London stockbrokers W. Greenwell, said last night the termination of the Heller negotiations "throws Midland's whole international strategy back into the melting pot."

In retrospect, he said, the Standard Chartered disposal "appeared premature."

The Midland holding in Standard Chartered appeared to be an obstacle to the Heller acquisition since under U.S. laws a bank holding company cannot control banks in more than one state.

Standard Chartered acquired the Union Bancorp in California earlier this year, while the Heller group includes American National Bank and Trust Company, the fifth largest bank in Chicago.

Wall Street analysts were suggesting yesterday that Midland may have been seeking to renegotiate the terms of the \$425.5m share deal for Heller, and this may have led to the breakdown of negotiations.

Now the Heller deal is off, analysts say Midland may be expected to seek another major U.S. bank takeover. Midland has realised about £110m from asset disposals over the past year and is currently negotiating a sale of the non-sterling travellers cheques side of Thomas Cook for a price said to be in the region of £25m.

Lex, Back Page

Interest rates up as shares fall in NY

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Engineering dispute costs TI about £20m in lost profits

BY ANDREW FISHER

TUBE INVESTMENTS, one of Britain's major engineering companies, said yesterday that the recent dispute in the industry had cost it about £20m in lost profits.

Shares of the group, the first to put a figure on the impact of the industrial action, immediately fell by 14p to close at 285p, their lowest point this year.

About half of the pre-tax loss caused by the limited strikes and bans on overtime was suffered by the group's steel tube and cycle operations, with the rest coming from domestic appliances, engineering, machine tools and industrial electrical equipment.

Tube Investments, whose best-known products include Raleigh bicycles, Ascot boilers and Creda cookers, has already seen its profits slide in the first half of this year, one main reason being the road hauliers' strike.

At the pre-tax level, they were down by 20 per cent to £30.4m and the company said it now saw little chance of approaching last year's overall profit figure of £80m.

Although production is now mostly back to normal, the buying schedules of some of the customers of the steel tubes division are still disrupted. Raleigh also lost workers during the dispute and is trying to recruit to raise output for the Christmas season.

The company said that it was making the dispute a high priority because the figure was bound to be produced during a tour of the Birmingham plant by a group of financial analysts yesterday and today.

Since the information would obviously affect the share price, Tubes decided to release it in advance of the analysts' formal questioning last night.

In the dispute, which was settled earlier this month, the group was achieving no more than half of its normal output. The only division not affected was aluminium, which has a separate negotiating agreement.

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EUROPEAN NEWS

KARAMANLIS DUE IN LONDON ON EUROPEAN TOUR

Greece seeks allies in defence row

By DAVID TONGE

THE GREEK Government's frustration at being prevented from rejoining the military wing of NATO is expected to be the central theme of the talks between Mr. Constantine Karamanlis, the Greek Prime Minister, and his British counterpart, Mrs. Margaret Thatcher.



Mr. Karamanlis... frustrated on NATO's sidelines.

Mr. Karamanlis arrives in London tonight for a 24-hour private visit. He has just paid similar visits to West Germany and France, and will call at Rome on his way back home.

Keen to wrap up Greece's accession to the EEC and make the treaty signed in May safe from the ravages of the Greek opposition, he is urging the countries he is visiting to ratify the treaty speedily.

In Britain's case, such urging is hardly necessary as the Bill giving effect in UK law to the treaty was laid before Parliament yesterday. Greece is due to become the tenth member of the Community at the beginning of 1981.

In London, the problems of Cyprus are likely to loom less large than are attempts by Mr. Karamanlis to sort out his defence relationship with the

West. In September, Greece refused to take part in a NATO exercise and allowed Soviet naval auxiliary vessels the right to facilities at the shipyards on the island of Syros for one year.

Earlier this month, Mr. Karamanlis visited Moscow and signed a political declaration.

While the Moscow visit was long overdue—no Greek Prime Minister had visited post-Tsarist Russia—the shipyard deal has caused some raised eyebrows in the West.

One Greek argument is that the shipyards' needs business, and that if Athens had not allowed it, Turkey or Malta would have given the Soviet Union the same rights. However, the deal did come at a time when Greece's relations with NATO are exceptionally tense, and the U.S. is bearing the brunt of official Greek anger.

In July last year the Greeks reached an understanding with General Alexander Haig, then Supreme Allied Commander in Europe, on a formula to allow their re-integration into the military wing of NATO. They withdrew from the alliance in August, 1974, seeing such a withdrawal as the alternative to being forced by Greek public opinion to declare war on Turkey for its invasion of Cyprus.

Since then, however, Turkey has indicated that it would be prepared to use its veto on Greek re-entry unless defence command responsibilities in the Aegean are redefined.

Geography means that both countries see the affair as vital to their national interests. Greece believes that allowing the Turks any sovereignty over the Aegean Sea will cut off their outlying islands and that these will eventually fall into Turkish hands. Turkey fears that the Greeks are trying to use the islands to cut off its outlets to the outside world.

The Greek Government is now seeking to drum up West European support for its position. On the negative side there is a potential threat to the U.S. bases in Greece, which include the important Souda Bay complex on Crete and various large communications stations. An agreement extending the life of these has yet to be signed.

But the Government may well stress an awkward fact for NATO—that it is at least trying to link Greece to NATO's military wing. The opposition, which is a continuing threat to the 72-year-old Mr. Karamanlis, would not even try.

Swiss vote to keep coalition rule

By W. L. Luetkens

SWISS ELECTORS have resoundingly voted against tampering with the political and economic management of their country. Even before final results were in last night, it was clear that Sunday's election has created the basis for continuing the coalition Government as it has been conducted for the past 20 years.

If anyone can be said to have lost, it is the Socialists, one of the four coalition parties. They appeared in danger of losing at least two of the 55 seats in the lower house, the National Council, which they have held since 1975. This looks very much like a reaction against recent Socialist tactics which have amounted to conducting opposition campaigns from within the Cabinet.

The party used the device of the popular referendum for that purpose. It advised voters to demand the severest restrictions on nuclear power, and lost, it advised them to vote against tax reform, and won in alliance with the Right; and it has mounted a campaign against bank secrecy, a subject that arouses passions without being likely to prove at all popular in a country as wealthy as Switzerland.

Of the other coalition partners, the Radicals (a grouping of old-fashioned liberal stamp, close to industry) had hopes of adding up to four seats to its contingent of 47; the Swiss People's Party, which appeals to the peasantry and small tradesmen, stood a chance of rising from 21 to 23; and the Christian Peoples Party, which has been moving leftward of late, was in danger of dropping from 46 to 45.

Together with the Socialists, these parties have run the country since 1919, for the last 20 years with the People's Party providing one Minister, and the remainder two each. This hallowed 2:2:2:1 formula is unlikely to be revised.

Despite the setback to the Socialists, who are divided between a vocal left-wing and a silent majority closer to the centre, the Left did chalk up a success in Basle where two members of the extremist POCH group appeared to have been returned. They will join one Communist.

The turnout, estimated at less than half, was low even by Swiss standards. As a rule, it is the young and the working class who do not vote, giving the system a conservative twist. But even left of centre, the view can be heard that voters stay at home because they are satisfied.

With the highest GNP per head in the world (\$13,853 in 1978), an unemployment ratio of 3 per cent, and a slight acceleration of growth forecast from an admittedly low 0.5 per cent in 1978 to 1.4 per cent in 1980, one can see why.



Chairman Hua draws Chancellor Schmidt's attention to the blue skies attending his arrival in Bonn.

Detente defended as Bonn talks to Hua

By ROGER BOYES IN BONN

PRESIDENT Karl Carstens of West Germany, playing host to Chairman Hua Guofeng, the Chinese leader, yesterday defended Ostpolitik, Bonn's conciliatory policy towards Eastern Europe.

A similar note was struck by Chancellor Helmut Schmidt during brief talks with Chairman Hua earlier in the day. Bonn has made clear that it is firmly committed to the Western alliance and that this was the basis for its detente policy with the Soviet Union.

The Government has been concerned in case Chairman Hua is outspokenly anti-Soviet during his visit, which comes at a particularly delicate time in German-Soviet relations. German leaders are still discussing the implications of President Leonid Brezhnev's promise to reduce Soviet troop levels in

Europe. President Carter and the Chancellor were anxious to demonstrate that Bonn was not going to pick sides in the dispute between Peking and Moscow.

The President said that West Germany needed a *modus vivendi* with the Soviet Union and Eastern Europe if peace in Europe was to be maintained. At the same time both he and Herr Schmidt stressed that a strong China was in everybody's interest.

Chairman Hua appears, so far, to have been far from outspoken. He has stated that he is in favour of German reunification—applauded by the Chancellor and the President—and stressed the need for a strong Germany.

Chairman Hua held informal talks on Sunday night with German economic specialists about ways of expanding trade between China and Germany.

Nuclear debate strains Netherlands coalition

By CHARLES BATCHELOR IN AMSTERDAM

REBEL GOVERNMENT MPs in the Netherlands have been warned by Mr. Willem Scholten, the Defence Minister, against threatening to bring the ruling coalition down over the issue of modernising NATO's nuclear weapons. In an appeal to the Left-wing of his own Christian Democratic Party, Mr. Scholten called for a sober debate of defence issues.

The Cabinet is expected to decide in December whether to support a NATO proposal to station nuclear warheads in Europe—possibly including the

Netherlands—to face the challenge of the Soviet Union's SS-20 missiles. In advance of that decision an intense debate has begun among the Christian Democrats, who are the larger of the two parties in the Coalition Government.

The Left-wing of the party is opposed to the expansion of nuclear weapons capacity. It has enough strength, with the opposition parties, to bring down the Government.

Threats to force a Cabinet crisis over defence issues could prove self-fulfilling, Mr.

Scholten said in a speech to young Christian Democrats. If the Netherlands allowed itself to become isolated within NATO over nuclear weapons, it would lose all political influence.

The Netherlands has raised three points on the issue, he said: Whether nuclear weapons are really necessary to NATO; the consequences of a modernisation of NATO's nuclear weapons and the concessions the Soviet Union would be prepared to make to prevent this. And a study of a good conventional alternative.

A solution must be found which will maintain the deterrent aspect of nuclear weapons while reducing as far as possible the inherent dangers, he said.

In a Dutch radio interview, Dr. Joseph Luns, the Secretary-General of NATO, said the Alliance should not decide on nuclear policy before negotiating with the Soviet Union. It must have something to counteract the Backfire bomber and the SS-20 before it can negotiate with the Warsaw Pact on their reduction or removal, he added.

France to have minister for food industry

By David White in Paris

A NEW post is to be created in the French Government to take responsibility for the food industry.

Food production and processing ranks second to building and public works among French economic activities, employing 500,000 people and having an annual turnover of more than \$50bn (£23,250bn).

The nomination of a special secretary of state responsible to the Prime Minister is seen as marking the government's determination to reinforce the country's food export potential. The man tipped for the post is Michel Debats, a former farmers' leader. He was elected to the European parliament in June on the pro-Giscardian list

Civil rights trial opens in Prague

By ANTHONY ROBINSON, EAST EUROPEAN CORRESPONDENT

THE TRIAL of six prominent Czechoslovak dissidents opened in Prague yesterday, accompanied by police harassment of those wishing to attend the trial and official refusal to allow Western diplomats, journalists and civil rights lawyers to monitor the proceedings.

In London yesterday, the Czech ambassador also refused to meet a Labour party national executive delegation led by Mr. Eric Heffer who wanted to hand in an appeal for release of the accused signed by over 80 Labour MPs. The appeal was also signed by 35 Socialist members of the European Parliament from six countries, and by members of the French, Italian and British Communist parties.

The authorities decision to go ahead with the trial in the face of widespread protests has given rise to speculation in the West that the defendants are pawns in a struggle between hard-liners and "liberals," not only within Czechoslovakia itself but also within the ageing Soviet leadership.

The six defendants, all members of the Charter 77 civil rights group and the Committee for the Defence of the Unjustly Persecuted, are among 11 dissidents arrested last May in a police crackdown. They face jail sentences ranging from three to 10 years on charges of "subversion on an extended scale" in collaboration with foreign powers.

The foreign powers in question are Amnesty International, the London-based civil rights monitoring organisation, and the U.S. Central Intelligence Agency, according to the lengthy indictment.

The trial is believed to have been delayed several times. The fact that it is taking place now, only two weeks after President Leonid Brezhnev, launched a "peace initiative," and when the Soviet Union is trying not to antagonise U.S. opinion during the SALT ratification process, is seen by some as an indication that supporters of a more hardline stance still have considerable influence.

Over the past decade, hard-liners within the Czechoslovak party and government have blocked all attempts to "normalize" the political situation after the 1968 invasion and subsequent purges.

CONFLICT IN ITALY'S LARGEST PRIVATE ENTERPRISE

Unions off balance as Fiat acts against 'intimidators'

By PAUL BETTS IN ROME

"THE SITUATION at some of our plants, particularly Mirafiori, has been steadily getting out of hand. Yes, it is true that used contraceptives are found inside some new cars, that our foremen are intimidated and forced to march with red banners in the front line during demonstrations, that some wives receive threatening telephone calls. Then there is the violence. Three employees have been shot. Several others wounded. We could no longer just sit back and watch."

The company claims it was facing an "intolerable situation" in many plants. With the apparent failure of both trade unions and political parties to prevent the climate of violence and labour conflict that has afflicted the group, Fiat decided to take matters in its own hands. Sig. Giovanni Agnelli, Fiat's chairman, has effectively put the unions against the wall.

Fiat's main concern at present is to increase car production after the severe production losses suffered in the first half of this year during protracted negotiations for the renewal of the three-year national labour contract for metalworkers. Fiat has traditionally set the pattern of wages and labour negotiations in Italy and has inevitably faced acute labour unrest during national labour contract negotiations.

Conflict was particularly pronounced this year thanks to the militancy of small groups within the plants. Fiat says it lost an estimated 200,000 cars. At times, labour unrest degenerated into street violence.

Following seven months of negotiation of the new labour contract, Fiat is now trying to rebuild its depleted stocks by boosting productivity. At the same time, the Turin car group introduced a series of new models during the course of this year. These, it claims, could have been sold successfully had

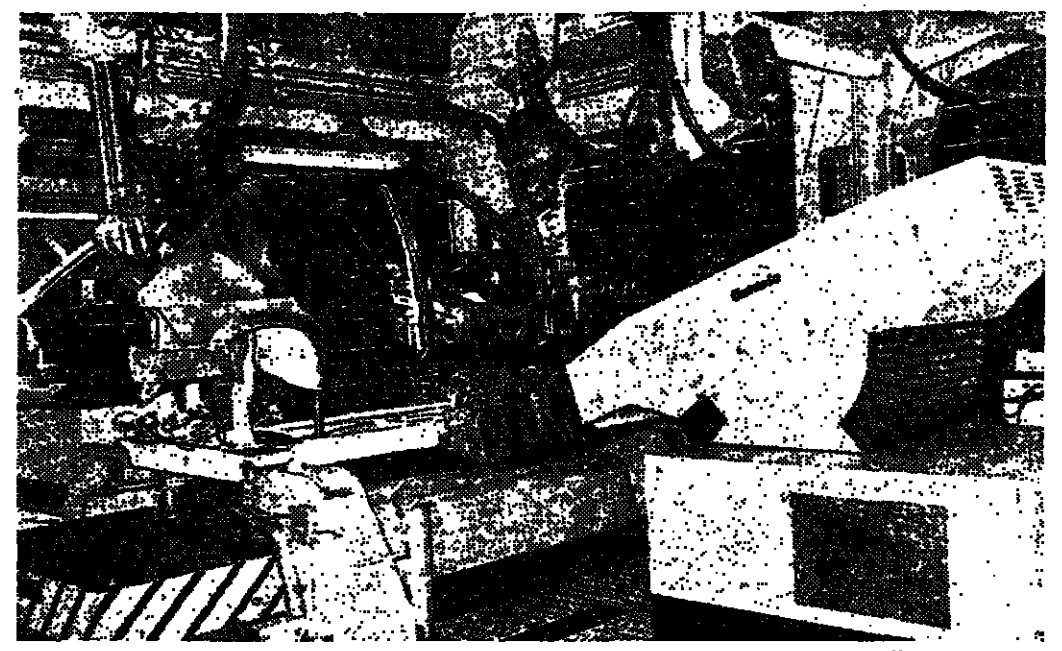
production reached the company's original targets. The car group fears that unless it increases production, it risks losing out to its competitors.

The company's latest initiative undoubtedly carries many risks. Already Fiat is being accused of reverting to the old ways of its late chairman, Professor Vittorio Valletta. In a series of successive show-downs in the late 1940s and 1950s, he successfully undermined union and left-wing attempts to build a presence within the conglomerate.

Again there is talk of witch hunts. At a meeting of 2,000 delegates of the engineering and metalworkers' union in Turin—covered live by television—labour leaders accused the car company of trying to reduce union power by confusing shop floor conflicts with terrorism.

But the present situation is radically different to the days of Professor Valletta. Fiat then used a whole battery of devices to crush union influence in its plants. These included the setting-up of company controlled unions—the so-called "yellow unions"—the keeping of special files on workers, and an alleged unconstitutional relationship with the secret services and the Turin police.

Since the hot autumn of 1969, when the trade union movement in Italy emerged as a key political and social force, Fiat has embarked on a policy of collaboration rather than conflict with the unions. The company was prepared to see high wages in return for high productivity; the unions were prepared to accept the technological transformation of the company's main plants, with the introduction of robots and other labour-substitution technology to reduce assembly-line alienation and boredom. In turn, the company willingly entered into a policy of de-



No strife here... a robot welder in action on a Fiat production line.

plants to reduce the tensions inevitable in a plant as huge as Mirafiori, which has nearly 60,000 workers.

But the damage, in a sense, had already been done. The seeds of the current problem in Turin and at Fiat were sown in the late 1960s, with the doubling of Mirafiori's capacity and the construction of the Rivalta car plant outside Turin employing some 12,000 people.

Overnight, according to Sig. Diego Novelli, Turin's Communist mayor, "a second biblical mass of emigrants arrived from the depressed south of the country."

During the past ten years, Turin's population has increased from 700,000 to 1.2m. Sig. Novelli says it is Italy's third southern city after Naples and Palermo, and that it has expanded in a chaotic way. "It has become a city without any identity of its own, where social status is largely measured in terms of a car's horse power. People have had to hire beds by the hour because of the housing shortage. There are more dogs here than in any other Italian city because of loneliness and fear."

At the same time, neither the Communist party nor the official unions have made much effective headway among the city's working classes. "Yes, we get their votes. But only one in 16

is a signed-up member of the party, and only between 20 and 40 per cent of Fiat workers are signed-up union members." As a result, the influence of the party and unions has been weak even in their own rank and file in Turin.

In the past three years, even this has increasingly been undermined by militant non-aligned union movements and extra-parliamentary forces.

Against this background, it is not surprising left-wing extremist groups have found particularly fertile pastures in Turin.

According to Sig. Novelli it has been afflicted more than any other Italian city by terrorism.

In a way it has been transformed into a laboratory of political violence. During the past 12 months, there have been more than 100 terrorist incidents. And Fiat, as Italy's main symbol of private enterprise, has been a prime target.

The Communist mayor claims terrorists, having fed on the discontent of students in recent years, have turned their sights more towards industry for their subversive designs. Their objective in Turin seems twofold: to seek support among disaffected workers in the factories, and to spread a climate of fear among the city's middle and lower bourgeoisie. But the city has so far resisted the challenge well, he says.

The situation has nevertheless continued to deteriorate. Only two weeks ago terrorists killed one Fiat executive, kidnapped another and wounded a Turin businessman in the city.

Fiat's decision to react appears to have caught the unions off balance. They have vigorously condemned violence, but at the same time are also clearly concerned at the repercussions the lay-offs could have on their rank and file.

So far only a token series of strikes have been called protesting against the company's initiative. In a sense the movement's credibility is being tested, but equally it is facing growing pressure from its militant base, which is demoralised after the Communist Party's first major electoral setback in the general election last June. Inevitably too, there is the suspicion the Fiat move is part of a broader scheme to undermine some of the enormous advances the union movement has made in Italy over the past ten years.

The real irony is that by its very reasonableness and by advocating more moderate policies, the Communist Party appears to have lost out politically to the radicals and the extreme Left, while the trade unions have seemingly lost out—so far at least—to the hot-heads in the factories.

New strike pressure on Cossiga

By Rupert Cornwell in Rome

A NEW spate of strikes mainly in transport and public health services, is putting further pressure on Sig. Francesco Cossiga's minority Government, still smarting from the outcome of Friday's brief but devastating stoppage by Italy's air traffic controllers.

Public hospitals and much of Italy's public health services are likely to be largely paralysed until Thursday as a result of a series of stoppages planned by doctors. Emergency services will, however, be guaranteed.

Also on Thursday, local transport will halt for 24 hours as bus, tram, and underground employees press their claim for a new labour contract. University staff and retailers will hold their own strikes during the week in support of their separate grievances.

Today, engineering workers will hold a nation-wide two-hour stoppage in protest at the Fiat group's decision to dismiss 61 workers at its Turin car plant.

The feeling that the present Government is not equipped to deal with labour problems—its most pressing difficulty—has been reinforced by the handling of the air dispute.

Ministers said that any disruption would be limited, but the controllers forced a total shutdown of civil air services. Only the unprecedented intervention of Sig. Sandro Pertini, the President, acting as supreme commander of the armed forces (to which the controllers belong) persuaded them to return.

A cabinet meeting is expected today to make the first move towards switching the controllers from a military to a civilian status—as they have long demanded.

Sig. Pertini's intervention about whether enhanced powers for the President should form part of any constitutional reform—something the political parties would be distinctly unhappy to see.

Air France prepares for a rapid take-off

By Terry Dodsworth in Paris

AMBITIOUS PLANS by British independent airlines for slashing European air fares have won an attentive audience at Air France.

The national airline, one of those State owned enterprises which UK entrepreneur Sir Freddie Laker loves to attack, embarked this year on its own system of reduced rate fares. In 1980, it is planning to treble the number of seats on offer for its so-called holiday flights. Top management at Air France has never made much secret of the fact that it has embarked on this policy because of the pressure coming from charter services and specialised operators like Sir Freddie.

It grumbles about the "unfairness" of some of this competition, which, it claims, operates under different cost structures tailored for only limited routes.

But at the same time the management has made the clear decision in the last two years that it cannot afford to sit on the sidelines any longer.

Air France's "vols vacances" are designed primarily for the holiday market, flying to such destinations as the Caribbean, the island of Reunion in the Pacific, and Palma, Majorca.

Successful experiment

But they overlap with other sorts of traffic on routes such as New York, London or Tel Aviv, paving the way perhaps, to generally lower fares within the European airline system as a whole.

The decision to expand the service next year indicates the impact which this year's experiment has had upon Air France's accounts.

Between May and October, some 372,000 passengers took up vols vacances flights, of which 142,000 were on the longer hauls. The flights have attracted a large number of customers—35 per cent who normally fly charter services. About 50 per cent of the passengers had never flown before.

Air France is also claiming that sufficient seats have been filled on most of these flights to bring them to break-even point. There has been an average 75 per cent "load factor," with some routes, such as to New York and the Caribbean, achieving up to 85 per cent.

On this basis, Air France is aiming to launch itself into a much more comprehensive programme next year with the offer of 1,500,000 seats. There will be eight Boeing 747s and five Airbuses on the service, compared with four aircraft this year.

New routes are being added—to Nice and Montreal—and the number of flights to some destinations increased radically. For example, there will be 28 a week to the Caribbean.

Clearly, there is a heavy risk in this policy of rapid expansion. Fuel costs, in particular, are imposing heavier and heavier burdens.

Air France reckons that its fuel bills will have risen by 80 per cent between 1978 and 1980, and by next year will have gone up to 22 per cent of operating costs compared with about 19 per cent this year.

Against these pressures, the airline is taking a two-way gamble. The first is that it can reduce other costs, both by streamlining and administration (it has been running a tight policy on recruitment) and by pruning some of its less profitable routes.

The second is that it can increase turnover by attracting more people on to its flights. Although fares have not yet been fixed for next year, its target custom is clear enough in its statement that price will be "as close as possible to charter rates."

Wider clientele

Thus the vols vacances are playing an important role in Air France's overall development strategy. The company believes that the load factor on all its aircraft, and therefore its profitability, can be raised considerably by the ability of the new services to attract a wider clientele on to the airline.

The evidence so far is that the policy is working. About 60 per cent of all the seats this year have been filled, compared well with most other international airlines.

The number of passengers carried rose from about 7.5m two years ago to 10m last year and should be up to 11m by the end of 1979. The group has broken out of a long period of deficit and should soon have notched up its second year of consecutive profits.

By 1981 it reckons that it will also have one of the most modern and fuel efficient fleets in the world, composed of Boeings and Airbuses, plus the Government-subsidised Concorde.

ALL BUSINESS OPPORTUNITIES advertisements due for publication in this issue will now appear on Thursday October 25

Handwritten text in Arabic script: كرامان الترحيل

OVERSEAS NEWS

Kriangsak to discuss Vietnam on ASEAN trip

BY RICHARD NATIONS IN BANGKOK

GENERAL Kriangsak Chulanan, Thailand's Prime Minister, is to depart today on a tour of the ASEAN countries which diplomats here think is intended to sound out the opinion of the heads of neighbouring states before initiating a new round of diplomacy over Indo-China.

Tarling prosecution was contradictory—defence

SINGAPORE — Prosecution evidence in the trial of Mr. Richard Tarling, the British businessman, on charges under Singapore company law, was contradictory and irrelevant and failed to show any complicity in the alleged offences, his defence said yesterday.

SAUDI ARABIAN OIL POLICY

Presenting a solid front to the world

BY RICHARD JOHNS, MIDDLE EAST EDITOR

IS THE leadership of the world's biggest exporter of oil divided over the crucial issue of pricing and, more important, production of its major resource?



Prince Saud al-Faisal

In the face of the kingdom's traditional and impressive facade of total unity, this alarming question has been raised again by reports and subsequent denials made by two senior Ministers within the space of a few weeks.

In Atlanta, Georgia, at the weekend, Sheikh Ahmed Zaki Yamani, the Saudi Minister of Oil, was reported to have spoken of divisions within the Saudi leadership over the critical question of how much oil the kingdom should produce, and at what price it should be sold to the industrialised world.

Yesterday his namesake, but no relation, Mr. Mohammed Abdo Yamani, Minister of Information, denied these reports as a "total fabrication."

This unidentified group was in favour of a rise in the basic price for oil set for the second half of 1979 as part of the compromise reached at the last ministerial conference of the Organisation of Petroleum Ex-

porting Countries. Sheikh Yamani was reported as saying.

It was also said to be sympathetic to studies showing that Saudi Arabia only needed to produce at a rate of 5m barrels a day to satisfy its financial requirements.

That compares with the level of output of 9.5m barrels a day sustained by the Kingdom since the beginning of this year—1m b/d above its normal ceiling.

The go-ahead for the extra was given to make good the short-fall in global supplies resulting from the three-month cut-off of Iranian exports in the winter.

Without it the price-frogging escalation of prices since the beginning of 1979 would have been far worse.

Mr. John West, U.S. Ambassador to Saudi Arabia, who was at the Press conference, commented that a fall of 50 per cent in Saudi production would bring "the greatest worldwide depression we have ever seen."

Talk of "Young Turks" in Saudi Arabia being in favour of gearing Saudi production to the country's financial requirements is hardly reassuring at a time when the crash of 1929 is recalled with all too much relevance to the present.

It is all the more disturbing in the grey area where two considerations overlap—the setting of Saudi levels of output and deciding how far to go in accommodating western needs in the absence of progress towards a



King Khaled

comprehensive Middle East settlement.

In practice, it would be misleading to talk of "Young Turks" in the leadership, with one possible exception.

In the last analysis important political decisions on production, pricing and, most vitally this year, on the kingdom's attitude to the Israeli-Egyptian peace treaty, are made by a small group of princes of the Royal Family, outside the Council of Ministers and in an obscure, arcane manner.

Apart from King Khaled and

Crown Prince Fahd, its most prominent members are known to be Prince Sultan, Minister of Defence, Prince Abdullah, Commander of the National Guard, and Prince Naif, Minister of the Interior. On grounds of age and attitudes, the only man who might justifiably be called a "Young Turk," and has been, is Prince Saud al-Faisal, the Foreign Minister, and one of the most resolute opponents of the Camp David accords.

In the Saudi system the advice of Sheikh Yamani and other commoners in the Cabinet is, to varying degrees, taken into account, on the most important questions. Some, such as Sheikh Hisham Nazir, Minister of Planning, have said publicly in the past that they would prefer to limit oil output and the exhaustion of the country's one great but finite resource to what the kingdom needs to provide finance. Others like Mr. Ghazi al-Chossabi, Minister of Industry and Electricity, and Mr. Mohammed Aba al-Khali, Minister of Economy and Finance, are believed to be of the same opinion.

In effect, Sheikh Yamani appears only to have been drawing attention, though seriously, to pressures within the kingdom to conserve oil. Similar pressures have been mounting fast in all the other producing countries, not least Iran. It would be surprising if such concerns were not making itself felt on the Saudi ruling hierarchy.

The two most important men believed to have changed sides are Gen. Hossein Fardoust and Gen. Abbas Gharabaghi. They were closely involved in the military's negotiations with the Khomeini camp for a transfer of power during the crucial 48 hours leading up to the Tehran uprising in February.

In the tumultuous, confused days which followed the uprising, Gen. Gharabaghi vanished. While his colleagues were being dragged out or hiding the most widely accepted theory was that he was given protection by a fellow Turkish-speaking Azerbaijani, the powerful religious leader Ayatollah Shariat-Madari.

The political affiliations of the commanders of the pus revolution army in Iran have been the subject of continuing controversy. Allegations of right-wingers opposed to the armed guerrillas were entrenching themselves again in his places led to the resignation of Ayatollah Khomeini's military adviser, Col. Tavakoli, and later that of the Republic's first armed forces' Chief of Staff, Gen. Gharani.

The present government is meanwhile believed to have retained almost intact three departments of the old SAVAK. These departments are numbers two, six and eight dealt with the communists and trib at home and counter espionage.

All intelligence activities come under Mr. Mustaf Chamran, the Defence Minister working to him, prominent Iranian exiles say, are two senior members of the old organisation, Gen. Farzayi and Gen. Kaveh.

Aides to Shah 'now assisting Khomeini'

By Andrew Whitely

AYATOLLAH Khomeini's regime in Iran is being actively aided by a number of key military and security officers who were close to the Shah until he went into exile last January.

Well-placed Iranians say that among those now holding official or unofficial positions are a boyhood friend of the former monarch and the Shah's last Chief of Staff of the armed forces, Senior figures in SAVAK, the old secret police force, have also apparently switched allegiance without qualms.

The fate of these men contrasts with that of the 40-odd generals, serving and retired, who have been executed since the February revolution. Most of the other top officers have fled the country.

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Philippines to drill 30 new oil wells

By Daniel Nelson in Manila

ABOUT 30 wells will be drilled in the Philippines this year as the Government steps up efforts to achieve its new target of self-sufficiency in oil by 1985.

The target—latest in a series of increasingly optimistic forecasts—was given last week by Mr. Gabriel Ithcon, Deputy Energy Minister. He said another 30 wells have been lined up for exploratory drilling next year. Ministers express confidence in private that this figure can be exceeded.

An immediate result is that Amoco has brought forward drilling in its Cadiao fields, in the island of Palawan, from 1981 to the second half of 1980.

Zaire debt talks due next month

BY FRANCIS GHILES

NEGOTIATIONS between Zaire and its creditors among Western Governments are expected to resume in Brussels next month. This follows agreement in August on a stand-by credit of \$150m from the International Monetary Fund and the appointment last month of three banks to advise Zaire on its financial affairs.

It is believed that the three banks—Kuhn Loeb Brothers, Mason Lazard and S. G. Warburg—may give a report to the meetings of Western governments. The banks have been attempting to find out exactly how much Zaire owes Western agencies, governments and private banks.

Together the banks have al-

ready acted in an advisory capacity for other Third World countries which have run into trouble over the repayment of their debts.

Prior to the August standby credit the IMF had endorsed Zaire's economic stabilisation programme which included budgetary and balance of payments deficit targets, the devaluation of the currency and the passing of all foreign currency transactions through the central bank. These stricter conditions were imposed so that foreign currency should only be used for essential imports and not be diverted into special accounts abroad.

This programme assumed that Zaire's official creditors would

be in a position to commit sufficient funds to enable the country to reschedule existing debt obligations as well as to provide new funds. Zaire's Minister of Finance is on the record as saying that a figure of between \$175-225m is needed for this.

The exact amount of Zaire's total hard currency debt is not known, though bankers suggest that a figure of around \$34bn cannot be wide of the mark. Half the total figure falls due before 1983. Some debts are not included in these estimates of the country's foreign debt, notably some suppliers' credits.

Hence the need for all those who are owed money by Zaire to wait for the report of the three banks.

Briton pleads not guilty in Beirut court

By Ihsan Hijazi in Beirut

MR. PETER SAINSBURY, a British businessman who has been held in detention in Beirut for the past two years on a charge of "banking irregularities," pleaded not guilty before a Lebanese judge yesterday.

Mr. Sainsbury was arrested on September 30, 1977. His case was speeded at the request of Mr. Douglas Hurd, the British Foreign Office Minister, who visited Beirut 10 days ago.

The judge, Mr. Gabriel Meouchi, after hearing the defendant's evidence, decided to refer the case to a higher court. No date for the next hearing was fixed.

IT'S ABOUT TIME WE LEARNED HOW TO LISTEN.

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AMERICAN NEWS

WORLD TRADE NEWS

Chrysler survival 'may need \$1.5bn'

DETROIT—Some of Chrysler Corporation's own consultants believe the company may need nearly twice as much federal financial help as it is seeking, to survive as a full-line car manufacturer in the early 1980s.

The next three years—rather than the \$750m the company has given in Washington, according to reports.

El Salvador cathedral taken over

SAN SALVADOR—Militants of the extreme Left-wing Popular Revolutionary Bloc yesterday peacefully took over El Salvador's cathedral at the start of a campaign of protest against the new civilian-military junta.

Eye-witnesses said about 20 men, women and children, walked into the cathedral, in the centre of the capital, carrying rolled-up placards, loudspeakers and pots and pans.

Their action followed yesterday's announcement by Sr. Julio Flores, the bloc's secretary-general, that his organisation was not supporting the moratorium on anti-government protests called by two other Left-wing groups, one a guerrilla organisation.

Yellow and red placards were later draped from the bell towers with the bloc's initials inscribed on them.

Another banner read, "The Salvadorean people hold the military junta responsible for murder and arrests."

A wave of violence from Left-wing groups, in which at least 35 people have been killed and 100 injured, marked the first days in power of the junta, which overthrew Gen. Carlos Humberto Romero, the Right-wing President, eight days ago.

U.S. delegation in Belgium for missile talks

BRUSSELS—The White House delegation touring Europe to sell the idea of basing medium-range nuclear missiles there today met Mr. Henri Simonet, the Belgian Foreign Minister, and defence officials.

The delegation, led by Mr. David Aaron, the deputy White House National Security Adviser, has already visited London and Bonn, and left yesterday from The Hague. It will later go to Rome.

A decision has been made yet in Belgium on stationing Pershing II and Tomahawk Cruise missiles to counter Soviet SS-20 missiles. One party in the Belgian five-party coalition Government yesterday rejected any decision which might be made outside parliament.

Laker to testify on fares

BY DAVID BUCHAN IN WASHINGTON

THE U.S. Civil Aeronautics Board yesterday began a week of hearings into a variety of International Air Transport Association (IATA) agreements to determine whether they were in the public interest, and whether airlines participating in them should still be exempted from the U.S. anti-trust law.

The hearings here, at which Sir Freddie Laker, the British airline entrepreneur, is due to give evidence, along with IATA representatives, stem from the Board's "show cause" order of June 1978, asking the international association to show that it was not a cartel against the public interest.

In the past year, the Board has progressively narrowed the scope of its "show cause" order. Originally, it embraced air traffic agreements on fares and conditions of travel not directly related to the U.S. But this week's hearings will now only focus on agreements concerning flights to and from the U.S.

The Board, first under the chairmanship of Mr. Alfred Kahn, and now of Mr. Marvin Cohen, has vigorously pursued a policy of deregulating the domestic airline industry, and is taking much the same approach to international flights.

If the Board does not pronounce itself satisfied with IATA's arguments, it has the power to withdraw from U.S. and other airlines operating into the U.S. immunity from American anti-trust law. Lack of such immunity could expose airlines to court challenges.

There are limits, however, to the number of sausage skins and bed feathers that can be consumed. Bonn is, therefore, anxious that raw materials should play an increasingly important part in Chinese exports.

But the trading gap is large, and with West German companies in a good position to take advantage of the Chinese modernisation programme, Peking is keen that West Germany should, in turn, take more Chinese exports.

There are limits, however, to the number of sausage skins and bed feathers that can be consumed. Bonn is, therefore, anxious that raw materials should play an increasingly important part in Chinese exports.

Mineral reserves This was the reasoning behind an agreement signed earlier this year between the Bonn Economics Ministry and the Chinese Geological Office on co-operation in exploiting China's rich mineral reserves.

The accord was the first concerning raw materials that China has ever signed with a Western country.

There are two lines of thinking underlying this. In the first place, Bonn hopes that its expertise—especially in coal mining and mineral excavation—could lead to important orders for the appropriate technology. A West German consortium, including Krupp, and Orestein und Koppel, have already signed a protocol with Peking for \$4bn worth of mining equipment, the supply of six shafts and two open cast mines.

Second, close collaboration with the Chinese at the exploration and know-how stages, could secure West Germany a vital slice of China's surplus oil coal and non-ferrous metals. China has proven oil reserves of 4bn tonnes and exports, mainly to Japan, of about 10m tonnes a year. According to West German estimates, Chinese oil exports could rise to 30-35m tonnes by 1985 and, even with Peking's long-term commitment to supply Japan, there should be a substantial amount left over to export to other countries.

Herr Wolf Von Amerongen, head of the German Chamber of Commerce Association, has suggested that compensation deals—metals in return for technology and know-how—could be an appropriate way of exploiting the Chinese reserves, despite the reservations about such deals.

Western expertise West German companies have also noted that China is eager to develop its light industry and start exporting these industrial products to Europe. For example Foto-Quelle, the leading photographic retailer, is holding talks with China on the possibility of retaining Chinese instruments such as binoculars and microscopes.

In the immediate future, China's trade balance with West Germany will be mainly controlled by the Chinese modernisation programme, which neatly acknowledges the need for Western expertise in agriculture, industry, science and technology and defence.

Despite a curbing of steel investment announced recently, it still plays a major part in China's modernisation plans. A consortium, led by Schoemann Siemens, hopes to profit from this and is preparing feasibility studies for a \$14bn integrated steel works.

The science and technology aspect of the modernisation programme has opened up possibilities, rather than profits, for West Germany. Last year Bonn signed a scientific co-operation agreement with China which was supposed to provide the framework for research exchanges, and the Chinese have since expressed their interest in energy, computer and agricultural research assistance.

During the current visit of Chairman Hua, Dr. Volker Hauff, the Science, Technology and Research Minister, is to discuss the possibility of broadening the terms of the agreement.



Sir Freddie Laker

Vance assures Bolivians on tin

LA PAZ—Mr. Cyrus Vance, U.S. Secretary of State, met President Walter Guevara Aze of Bolivia late on Sunday night in an attempt to assure Bolivia that the U.S. does not intend to damage Bolivia's economy through sales of its tin reserves.

Legislation that could authorise President Jimmy Carter to dispose of 35,000 tons of the 200,000 tons U.S. tin stockpile is being considered by Congress.

Mr. Vance, who is in Bolivia for this week's summit of the Organisation of American States (OAS), was apparently unsuccessful in placating the Bolivian president.

Bolivia, the world's third largest tin producer, produced about 22,000 tons in 1978. The U.S. move led to demonstrations in La Paz last Friday as the city celebrated its 431st birthday. Observers here said the decision was typical of what many OAS delegates feel is Washington's insensitivity toward Latin America.

Mr. Vance arrived here on Saturday, but indications were that he would keep a low profile during the assembly.

Mr. Vance was not expected to make any commitments or hold any news conferences. The Secretary of State may be called upon to explain the lack of a major U.S. technical aid programme to Latin America since President Kennedy's Alliance for Progress evaporated in the 1960s.

The Carter Administration has shown no public support for a call by Sr. Alejandro



President Walter Guevara Aze

which were denied special trading benefits by the U.S. Congress because they are members of the Organisation of Petroleum Exporting Countries (OPEC), are likely to echo Bolivia's complaints.

Mr. Vance will try to placate his country's angrier neighbours. These include democracies like Venezuela and Mexico, which demand a fairer economic deal for Third World countries, and military governments like those of Argentina, Uruguay and Paraguay, which have accused Washington of interfering in their internal affairs.

At the same time the 20-year-old question of Cuba, which the Assembly avoided discussing last year during its meeting in Washington, will overshadow the conference.

Cuba is no longer the infamous outcast of the Latin American family, although it is not about to be invited to rejoin the OAS. But with Soviet troops said to be in Cuba, and Cuban troops in Africa, the U.S. is almost certain to seek support from its neighbours in its moves to offset Havana and Moscow's advances.

On this score, Mr. Vance will not get any comfort from such new OAS members as Grenada, which recently embraced Cuba as an ally after Sir Eric Gairy, the Prime Minister, was ousted. Nicaragua, which recently deposed its dictator Gen. Anastasio Somoza, will almost certainly oppose any anti-Cuban proposals.

Charges of human rights violations in some military ruled countries in South America will also be aired at the annual assembly of the 27-member organisation.

In the background will be a number of thorny issues plaguing relations between various Latin American members, and disputes with the U.S. Venezuela and Ecuador, the region's two main oil producers,

programme, has been conducting a \$5.5m experiment in Barbados into whether the premier regional basic sugar cane can also be used for the production of industrial alcohol. Initial trials appeared promising.

Guayana, with the largest under-developed land area in CARICOM (183,000 square miles), has extensive hydro-electric power potential but has so far not attracted the necessary large-scale finance from international agencies and cannot afford it itself.

The hydro-electric scheme was originally expected to cost \$400m and its first phase, eventually building up to 3,000 MW. The Guayana Government's hope was that it could be on stream by 1981, but since little work has so far been done, the deadline has been pushed back to 1988 and the size of the investment will almost certainly have to be scaled down.

Mr. Pat Thompson, chairman of the Bauxite Industry Development Company (BIDCO), the holding corporation for the state-owned bauxite industry, who has been given specific responsibility for bringing the hydro-electric plant to fruition, recently presented the feasibility studies and related documentation to the World Bank in Washington.

No official word has been forthcoming concerning the likelihood of Guayana obtaining the funds it wants. The World Bank will obviously have reservations about the country's ability to service any loan until Guayana can fulfil its obligations to the IMF and repair its weak balance of payments position.

HUA VISIT Shift in W. German trade sought

By Roger Boyes in Bonn

WHAT HAVE bed-feathers, sausage skins and baskets in common? They are among the principal Chinese exports to West Germany, Peking's third largest trading partner. West Germany, meanwhile, exports rather more conventional goods to China, such as steel, ships and motor vehicles.

The possibility of a qualitative shift in this trading pattern will be one of the key subjects on the agenda during the visit this week of Chairman Hua Guofeng.

Over the past three years, West German trade with China has increased by leaps and bounds. Last year West Germany exported about DM 2bn (\$520m) worth of goods—a 72 per cent jump over 1977—and this year sales to Peking look set to be well above that, with DM 1.5bn exported in the first seven months alone.

Chinese exports to West Germany have been increasing too, though with less rapidity. West Germany last year imported DM 734m worth of goods from China, 10 per cent more than in 1977, and this, too, looks as if it will improve by between 15 and 20 per cent this year.

But the trading gap is large, and with West German companies in a good position to take advantage of the Chinese modernisation programme, Peking is keen that West Germany should, in turn, take more Chinese exports.

There are limits, however, to the number of sausage skins and bed feathers that can be consumed. Bonn is, therefore, anxious that raw materials should play an increasingly important part in Chinese exports.

Mineral reserves This was the reasoning behind an agreement signed earlier this year between the Bonn Economics Ministry and the Chinese Geological Office on co-operation in exploiting China's rich mineral reserves.

The accord was the first concerning raw materials that China has ever signed with a Western country.

There are two lines of thinking underlying this. In the first place, Bonn hopes that its expertise—especially in coal mining and mineral excavation—could lead to important orders for the appropriate technology. A West German consortium, including Krupp, and Orestein und Koppel, have already signed a protocol with Peking for \$4bn worth of mining equipment, the supply of six shafts and two open cast mines.

Second, close collaboration with the Chinese at the exploration and know-how stages, could secure West Germany a vital slice of China's surplus oil coal and non-ferrous metals. China has proven oil reserves of 4bn tonnes and exports, mainly to Japan, of about 10m tonnes a year. According to West German estimates, Chinese oil exports could rise to 30-35m tonnes by 1985 and, even with Peking's long-term commitment to supply Japan, there should be a substantial amount left over to export to other countries.

Herr Wolf Von Amerongen, head of the German Chamber of Commerce Association, has suggested that compensation deals—metals in return for technology and know-how—could be an appropriate way of exploiting the Chinese reserves, despite the reservations about such deals.

Western expertise West German companies have also noted that China is eager to develop its light industry and start exporting these industrial products to Europe. For example Foto-Quelle, the leading photographic retailer, is holding talks with China on the possibility of retaining Chinese instruments such as binoculars and microscopes.

In the immediate future, China's trade balance with West Germany will be mainly controlled by the Chinese modernisation programme, which neatly acknowledges the need for Western expertise in agriculture, industry, science and technology and defence.

Despite a curbing of steel investment announced recently, it still plays a major part in China's modernisation plans. A consortium, led by Schoemann Siemens, hopes to profit from this and is preparing feasibility studies for a \$14bn integrated steel works.

The science and technology aspect of the modernisation programme has opened up possibilities, rather than profits, for West Germany. Last year Bonn signed a scientific co-operation agreement with China which was supposed to provide the framework for research exchanges, and the Chinese have since expressed their interest in energy, computer and agricultural research assistance.

During the current visit of Chairman Hua, Dr. Volker Hauff, the Science, Technology and Research Minister, is to discuss the possibility of broadening the terms of the agreement.

Shell unlikely to renew Japan supply contracts

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

THE SHELL GROUP has warned Japanese oil companies to whom it has been supplying oil under "third party" arrangements that supply contracts will probably not be renewed when they expire from the end of the year onwards.

Shell will continue to ship oil to its Japanese affiliates and will engage in "swap" deals with non-affiliated companies. Apart from this, the group may, in effect, be bowing out of the Japanese oil market as from the end of the year.

Shell supplied about 12 per cent of Japan's crude oil imports before the Iranian crisis and has recently been responsible for about 10 per cent of total imports. Its third party supply contracts with various independent Japanese oil refiners call for the shipment of about 170,000 barrels of oil a day, about 3 per cent of present Japanese imports.

Shipments under these contracts have already been reduced to about half the contracted levels. They will cease with the expiry of individual company contracts from December onwards. News that the contracts will not be renewed is being conveyed to the companies concerned by Mr. E. Tottman, third party trading manager of Shell International Trading Company, who is in Tokyo.

Shell is not the first international major to reduce or eliminate the supply of third party oil to Japanese independent refiners. Exxon is limiting shipments to 15 per cent of the amounts specified in its third party contracts while British Petroleum has shipped no crude oil into Japan for the past two months.

BP's third party contracts have, technically, been suspended but will probably not be renewed as and when they expire. Unlike Shell, BP has no Japanese-affiliated company and has therefore supplied oil to Japan only through third party arrangements in the past.

Third party oil accounted for just under 30 per cent of Japan's oil imports in the year to March 31, but is expected to contribute only 17 per cent of total imports this year and perhaps less than 10 per cent in 1980. Japan is trying to fill the gap caused by the running down of third party contracts by increasing imports under direct deal and government to government arrangements. These accounted for 21 per cent of total imports last year, but the ratio may increase to 37 per cent in 1980.

Direct deal oil and government to government oil imports are not rising rapidly enough to compensate for the whole amount of the shortfall in third party shipments. The balance has been made up by recourse to the spot market.

Move towards EEC-Comecon pact to be made next month

BY OUR BRUSSELS CORRESPONDENT

THE FIRST step towards a trade agreement between the EEC and Comecon, the 10 nation Soviet-led economic grouping, will be taken when officials from both sides meet in Moscow next month.

The Common Market will send a delegation there, headed by Mr. Wilhelm Haferkamp, its external affairs commissioner, on November 26. The talks are expected to last several days.

Earlier plans for discussions to open between November 2 and 5 were rejected by Mr. Nikolai Fadeyev, Comecon's secretary-general. These dates clashed with festivities which will celebrate the Soviet Union's October Revolution.

In May Mr. Haferkamp turned down the chance of concluding a full-scale trade agreement with Comecon because he said it did not have the same powers as the Brussels Commission to negotiate on behalf of member states.

But the EEC is hoping to conclude an agreement with both Comecon and its members, thus avoiding any pitfalls that could arise from an agreement signed with Comecon alone.

In contrast to China and Yugoslavia, the Soviet Union and East European Comecon members have never had diplomatic representation with the EEC Commission. In spite of this, some Comecon members have held informal talks with the Community on topics like steel and textiles.

Apart from covering trade, EEC officials said any agreement that might eventually be reached could also take in the exchange of economic information, regulations for standardisation and an accord on preventing pollution.

Commission is unlikely to decide before April whether to allow the export of nuclear components for the 630 MW plant. The U.S. has been withholding export approval until it is sure that safety standards are being met as part of a worldwide policy.

In June of this year President Ferdinand Marcos halted work on the project until he was convinced that the plant "posed no danger to the public" and ordered an inquiry into the safety aspects. This inquiry moves forward this week with the arrival of two U.S. scientists who will help assess the technical evidence which has been presented on the project—much of it on safety factors.

Manila nuclear plans hit again

BY DANIEL NELSON IN MANILA

THE TROUBLE-PLAGUED \$1.1bn Philippines nuclear project has run into more trouble. Westinghouse has terminated its contract with the plant's main electrical and mechanical contractor, the Engineering and Construction Company of Asia (Ecco-Asia).

Mr. Eduardo Regala, president of First Philippine Holdings, Ecco-Asia's parent company, said Westinghouse's contract termination "came as a surprise." Neither company was prepared to discuss details of the dispute, though a Westinghouse spokesman described its implications as "serious."

It was also learned here that the U.S. Nuclear Regulatory

Commission is unlikely to decide before April whether to allow the export of nuclear components for the 630 MW plant. The U.S. has been withholding export approval until it is sure that safety standards are being met as part of a worldwide policy.

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S. Africa lines to raise rates

BY BERNARD SIMON IN JOHANNESBURG

AMID GROWING concern about the profitability of shipping services between Europe and South Africa, the 22 members of the South and South-East Africa-Europe Conference have announced a general increase in freight rates with effect from January.

Details have not yet been officially revealed, but it is understood that the increase will be 12 per cent. This is in addition to a variable currency adjustment factor, initially set at 3.98 per cent, which takes effect on November 1.

According to a conference spokesman, the freight rate increase will, in terms of profitability, "keep us where we were." The conference, applied for a higher increase, but this was turned down by the South African Government with which all freight rate adjustments are negotiated.

The longer-term viability of Europe-South Africa shipping services is being investigated by a special committee under the chairmanship of Mr. Tjaart van der Walt, the Secretary for Commerce.

Mr. Neil Sempill, chairman of the conference, recently described these discussions as a "survival exercise." The shipping lines' problems are the result of the coincidence of a costly containerisation programme and a sharp fall in South Africa's imports in the past few years. At the same time, the conference has had to contend with increasingly fierce competition from non-conference "interlopers."

Southbound freight carried by conference ships last year was 3.2m tons below target, while the shortfall on northbound routes was 1.2m tons. The lines' loss of income totalled \$389m.

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Latin states in hydro accord

BY RICK TURNER IN RIO DE JANEIRO

BRAZIL, ARGENTINA and Paraguay have signed a tripartite agreement for the Itaipu and Corpus hydro-electric dams being built on the Parana River. The agreement, signed over the weekend, is the result of several years of at times difficult negotiations, particularly between Brazil and Argentina.

The problem has been that the water level at Corpus, a joint Argentinian-Paraguayan venture, down river from Itaipu,

will directly affect the production capacity of the other dam, which is being built by Brazil and Paraguay. The Argentinians have continually pushed for a higher level than the agreed 97 metres, on an point wanting to go as high as 115 metres.

This was unacceptable to Brazil and in February this year the outgoing government took negotiations back three years by revoking all agreements made to date with

Argentina. However, this drastic measure seems to have cleared the way for the government of President Jose Baptista Figueiredo to negotiate.

The new agreement represents a compromise solution, whereby Brazil agrees to a 105 metre level at Corpus, meaning a loss of 500,000 kilowatts at Itaipu. Even so, when Itaipu enters into operation in 1983 it will produce 75bn kw per annum, at an estimated price of \$800 per kilowatt.

Bayer in new UK yarn launch

BY RHYD DAVID

BAYER, the West German chemical and fibre group, is planning its first major assault on the UK knitwear yarns market with three new acrylic fibres, developed on the Continent.

The company has previously concentrated in the UK on household textiles and carpets, and has established a dominant position in furnishing fabrics, with its Draion velvets.

The new move by the group comes at a time when there are signs that knitwear, after several years out of favour, is enjoying a renewed fashion

appeal. It follows the development by Bayer of new acrylic types, which it hopes will enable it to sell into the top end of the market on special characteristics rather than price.

It faces strong competition from the established suppliers, however, which are also offering new fibre types. Courtaulds has recently embarked on a re-launch of its Courtelite acrylic fibre in the carpet and apparel sectors, and Du Pont has been working for some time with UK mills to develop a new range of yarns and fabrics for the leisure-wear market, which

will be heavily promoted under the name, Free Time. Bayer's hopes are being pinned on its new Duonac acrylic fibre, on which development started in 1971.

The main markets Duonac will be seeking to penetrate are sportswear—socks, track suits, shirts and pullovers—and underwear. It will be used either in 100 per cent form, or in blends with cotton, wool, or other acrylic types. The fibre is to be used extensively by Addas as part of its contract to supply Olympic

CARIBBEAN COMMON MARKET SEARCHES FOR NEW ENERGY SOURCES

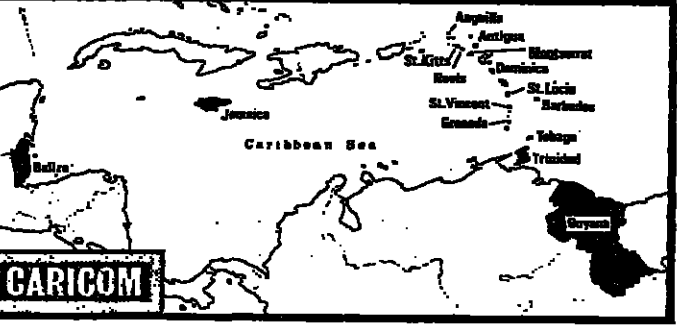
Avoiding the IMF's sticky embrace

BY DAVID RENWICK IN TRINIDAD

THE MEMBER-STATES of the Caribbean Community and Common Market (CARICOM) have started a study of alternative energy sources so it will not be completely dependent on imported oil in the 1980s.

The alarming size of this year's energy import bill for the 12 countries of CARICOM—provisionally estimated at \$530m—has forced government ministers to agree on a collective response to the oil crisis. Without such a move the economic development of the countries is threatened and they risk being caught in the sticky embrace of the International Monetary Fund. Both Jamaica and Guyana have received IMF loans and have been obliged to deflate their economies even beyond the extent already induced by the high cost of oil.

The search for new energy sources is naturally of most relevance to the 10 CARICOM countries out of 12 which have no oil of their own. Barbados produces and refines oil, but



thus meets only a third of its daily needs. Trinidad and Tobago is the only member state self-sufficient in both oil and natural gas, and able to export both crude and manufactured products.

The two regional institutions, the CARICOM secretariat in Georgetown, Guyana, and the Caribbean Development Bank in Barbados, are to take the lead in promoting the search for non-petroleum energy sources.

The secretariat is setting up an energy unit and will be responsible for the policy planning and training needs associated with the diversification drive. The development bank will provide the funding for field tests of new applied energy technologies and the establishment of a communications system.

The U.S., which has become noticeably more interested in Caribbean energy following the emergence of left-wing leaders sympathetic to Cuba in such islands as Grenada and St. Lucia, has committed itself to funding most of the alternative energy programme. Over a five-year period it will make grants of \$8.2m for that purpose to the secretariat and \$4m to the development bank.

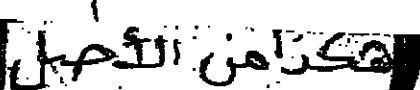
The urgency of the need for some relief from ever-rising oil import bills is clear. By next year some of CARICOM's smaller states will find themselves paying out over 25 per cent of their export earnings to buy petroleum products. Jamaica, the territory with the largest population (2m) has already had to revise its earlier estimate of imported petroleum costs for 1979 from \$147m to \$191m.

Some alternative energy sources likely to be experimented with under the programme include solar power, geothermal power, wind mills, hydro electricity and biomass conversion (energy from wood, charcoal, plant and animal waste).

In fact the CARICOM territories have been doing work in this area for several years. St. Lucia, for example, has been trying to tap its sulphur springs for the provision of thermal power, and Jamaica has been investigating the feasibility of using peat for energy purposes. (The Irish Peat Authority has provided technical assistance.)

The Canadian International Development Agency (CIDA), under its CARICOM aid pro-

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UK NEWS

Agents turn down Sasse—Lloyd's chief

BY JOHN MOORE

MR. IAN FINDLAY, chairman of Lloyd's, has written to members of the troubled Sasse underwriting syndicate, facing £20.2m of losses, and told them that suitable agents within the Lloyd's market are not prepared to manage their affairs.

director on the board of this company to represent their interests. The directors are: Mr. A. J. Archer, formerly chairman and managing director of Philip N. Christie & Co., Mr. J. M. Bazell, chairman of Matthews Wrightson Pulbrook, Mr. E. C. Bruce, director of Cunliffe-Fraser, Bruce and Company, Mr. P. T. Daniels, managing director of Lambert Brothers (Underwriting Agencies), Mr. F. E. Merrett, a member of the Corporation of Lloyd's staff, Mr. R. H. M. Outwaite, chairman of R. H. M. Outwaite (Underwriting Agencies) and Mr. R. D. Hazell, a director of Three Quays Underwriting Management.

Binder Hamlyn to take over Viney Merretts

BY MICHAEL LAFFERTY

BINDER HAMLYN, one of the larger City accounting firms, is to take over the medium-sized firm of Viney Merretts. The enlarged practice will have annual gross fees in excess of £14m, making Binder Hamlyn about the 12th largest firm in the UK.

partners and about 100 staff. Its major audit clients include UDS group and Trebor Sharps. Mr. Mike Shirley-Beavan, managing partner of Binder Hamlyn, said yesterday that the takeover was one of the firms which would survive the competition of the major international groups.

Closure of Preston's port forced by steady losses

FINANCIAL TIMES REPORTER

THE MUNICIPALLY owned port of Preston, Lancashire, which is running at a loss of about £1m a year, will be closed in March 1982. The borough council's policy and resources committee recommended the closure yesterday although the council's labour minority abstained from voting.

Preston's decline has averaged 11.45 per cent. The port has just ended a trial period of Government subsidy while efforts were made to drum up further business. The dock employs 350. Mr. Rudd said: "We will do everything in our power to help them where we realise their problems."

Soviet award for Lord Todd

LORD TODD, 72, president of the Royal Society and a director of Fisons, yesterday received the foremost award of the Soviet Academy of Sciences, the Lomonosov Gold Medal in Moscow. Professor Anatoly Alexandrov, presenting the award, referred to Lord Todd's research into the chemical structure and synthesis of natural acids which earned him the Nobel Prize for chemistry in 1957.

Japanese favour Wales as Euro base

By Robin Reeves, Welsh Correspondent

AIWA, the Japanese electronics company, confirmed yesterday that it is to establish a hi-fi manufacturing plant at Penylan, near Abercarn, South Wales. The £2m investment is the first by the company in Europe and will concentrate on the manufacture of miniaturised hi-fi systems for which Aiwa sees a world-wide market. It plans to export 50 per cent of its production.

Aiwa's arrival brings to four the number of leading Japanese audio-visual companies which have chosen Wales for a European manufacturing base. Sony, which became established at Bridgend in 1975, has been followed by National Panasonic at Cardiff, and more recently Hitachi which is manufacturing coloured televisions at Hirwsau in partnership with GEC.

Mr. Meirion Lewis, chief executive of the Development Corporation for Wales, which did much of the work of persuading Aiwa to decide on the location, forecast yesterday that the concentration of leading Japanese audio-visual manufacturers would soon attract to the area component producers in the same field.

Optimism

He also expressed optimism that two more Japanese hi-tech technology companies would soon be announcing the establishment of manufacturing facilities in Wales.

Mr. Stephen Chorley, managing director of Aiwa UK, stressed that the new unit would use British components as far as possible, initially 40 per cent, increasing to more than 50 per cent. Production is due to begin in June next year. A 50,000 sq ft factory is being provided by the Welsh Development Agency. The plant will ultimately employ 100 people who will be trained by Japanese engineers.

This has been won by South Wales against stiff competition from the Continent and other parts of the UK, notably Northern Ireland.

Mr. Chorley, commenting on the Penylan choice, said the unit offered was ideal for volume production and speedy road distribution to British retailers and export terminals.

It was also close enough to London to be controlled by Aiwa's headquarters at Acton which is the nucleus for the company's sales service and product testing.

Plea for value added information

By Michael Lafferty

THERE is a strong case for establishing a formal requirement for value added information to be given in annual reports, says a study prepared for the Accounting Standards Committee, which rules on company accounting matters.

The report, prepared by Mr. Michael Renshall, former technical director of the English Institute, and two colleagues, says there are more significant differences in practice relating to the calculation of value added (the wealth created by a business) than there are relating to profit.

"Standardisation of practice is a necessary precondition to any formal requirement," it says. The authors argue that value added data is relevant and reliable. Its inclusion in financial accounts "would significantly enhance the quality and information content of British company accounts."

The study says that value added information should be presented in the form of a combined value added and profit and loss account. The method of calculation should be explained in the statement of accounting policies.

Japan to buy some of the last Midgets

AMONG the last MG Midget sports cars to be built at BL's Abingdon plant in Oxfordshire will be nearly 450 cars for Japan. BL said yesterday that the order, by Leyland Japan, was big, but that the Midget had been sold in Japan for some time. It said that the purchase was not a case of the Japanese snapping up the last Midget sports cars. The order, placed some time ago, was the last to be completed.

Last British Gas bid for Algerian supplies

BY RAY DAFTER, ENERGY EDITOR

BRITISH GAS Corporation is making a final attempt to forge a new deal with Algeria over gas supplies.

A 15-year supply contract providing the corporation with a steady stream of liquefied natural gas (LNG) from Algeria is due to expire at the end of the month.

Whether the contract is renewed depends on two state energy undertakings—British Gas and Algeria's Sonatrach—agreeing on a hefty increase in prices. Sonatrach is concerned that its export price has fallen well out of line with the cost of other worldwide LNG supplies and even supplies of natural gas from the northern sector of the North Sea.

It is thought British Gas is buying Algerian supplies for between 5p and 6p a therm, less than half the price it is paying for some North Sea supplies. The bill to British Gas works out at about £20m a year. Sonatrach will probably ask more than twice that amount for any new supplies.

Britain's gas imports represent both a small proportion of Algeria's LNG exports and the corporation's total throughput of fuel. The deal involves regular shipment of some 100m cubic feet a day, about 2.5 per cent of the corporation's average daily sales.

A year ago British Gas might have taken the loss of such supplies in its stride. It seemed to have more than enough from the North Sea to meet demand. The picture has changed with the recent oil crisis and big rise in fuel prices.

The corporation has been inundated this year with requests from potential domestic and industrial customers seeking new supplies.

Sir Denis Rooke, chairman, said the "light from oil" has been putting pressure on the corporation to extend its system faster than it considered prudent.

British Gas cannot lose in the fuel marketing stakes at present. Due to past pricing controls domestic customers are paying much less for gas than for other fuels. Potential commercial and industrial customers seek gas supplies partly because they are concerned about future oil shortages and even more price increases.

This summer British Gas called off its advertising campaign because of over-demand for conversions and supplies.

Domestic gas prices are likely to rise at least 20 per cent next April and from then on at a few percentage points above the annual rate of inflation as

measured by the retail price index. The price of gas will then move closer to the cost of competing fuels.

But British Gas is faced with the problem of matching available supplies with demand, particularly during peak winter months.

Last winter peak demand hit a top level of over 7.75bn cubic feet a day, as against a summer-time 2bn cubic feet a day. As a result of work carried out on its transmission system British Gas feels confident it can meet a peak demand of some 9bn cubic feet a day this winter.

But it is still left with the problem of building up North Sea production and storage to meet such an abnormal demand level, hence the Algerian con-

tract. Although comparatively small, it has provided a useful source of "peak-saving" supplies.

British Gas may be loathe to lose this source, particularly as

ago it did so in the belief that the imported LNG would provide an important base load of supplies. At that time the landed price of the gas was six pence (farthing per therm (in old currency)) and the Algerian supplies met about 10 per cent of Britain's gas demand.

The country's LNG imports might well have increased substantially but for the discovery in the mid and late 1960s of important natural gas fields in the North Sea southern sector, since augmented by discoveries in the northern sector, in particular the Anglo-Norwegian Frigg Field. These discoveries on Britain's doorstep transformed the UK gas industry.

It is possible that even if negotiations between British Gas and Sonatrach—in progress since January, 1976—finally break down, imports from Algeria may not end overnight. Various interruptions in supplies over the past 15 years, including a three-month stoppage in 1967, means Sonatrach still has 12 to 14 months' worth of supplies to deliver to the UK.

But in the industry yesterday it was felt Algeria might be loathe to make these deliveries at current prices, particularly if British Gas decided not to make a fresh contract.

Table with 4 columns: Demand for British Gas Supplies (million therms), 1979-80, 1983-84. Rows include Average Daily Demand, Peak Daily Demand, Firm supply commitments, Interruptible supply contracts, and TOTAL.

Source: Price Commission, June 1979

Minister may use new powers to probe car spares trade

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

RESTRICTIVE TRADING practices in the car components industry, which last year had retail sales of £1.5bn, are likely to be the subject of one of the first private sector investigations under the Government's new competition policy.

This follows publication yesterday of the Price Commission's final report on prices, costs and margins in the manufacture and distribution of car components.

The Government's Competition Bill, which has its second reading in the Commons this week, will give the Monopolies and Mergers Commission special powers to carry out a short investigation into areas where competition is being restricted.

Mrs. Sally Oppenheim, Minister for Consumer Affairs, said yesterday that she was drawing the report to the attention of the Director-General of Fair Trading, to see what further action may be appropriate, either under the Fair

Trading Act or under the powers to be conferred by the Competition Bill.

It seems likely that the new competition powers will be used rather than making a reference under the 1973 Fair Trading Act.

The Price Commission's main recommendation is that the exclusive supply of car spares through the major car companies' franchised dealers should be abandoned.

The report says that the franchising system is preventing UK manufacturers from gaining access to the spares market for the rapidly growing number of foreign cars in the UK.

The report is critical of labour relations in the industry, and suggests that without a significant improvement in the industry's strike record any other improvements will be wasted.

The high level of recommended retail prices for some popular car spares, such as

sparkling plugs and oil filters, is also criticised.

The Society of Motor Manufacturers and Traders last night described the report as "an unnecessary, costly and time consuming exercise." The report confirmed "that the industry does not make excess profits."

The report, which was completed last May, has had its publication delayed by a fierce Whitehall struggle over the allegedly commercially sensitive information which was claimed to be of benefit to foreign competitors.

The Department of Industry has wanted substantial deletions, which were bitterly contested by the Department of Trade. Even so, the report contains the largest number of deletions in any of the 60 or so Price Commission reports published over the past two years.

Prices, Costs and Margins in the manufacture and distribution of car parts. HC 220, SO, 53

Fowler admits error over compensation to householders

BY PAUL TAYLOR

THE GOVERNMENT yesterday admitted that the Department of Transport had made a mistake four years ago which left about 400 householders affected by improvements to the Rochester Way A2 road in Kent without compensation.

In answer to a written Parliamentary Question, Mr. Norman Fowler, Transport Minister, said his Department had failed to give adequate publicity to the opportunity to make claims under Part 1 of the Land Compensation Act 1973.

His decision, which follows reports from Sir Idwal Pugh, former Parliamentary Ombudsman, and a Commons Select Committee, marks the end of a long dispute over whether the householders were entitled to compensation, because of increased noise and pollution even though their claims had been submitted after the official deadline.

Mr. Fowler said legislation would now be introduced to allow payments to people who submitted late claims where, in his view, the publicity was inadequate. In addition the Government would amend the Act, removing the time limit for future compensation claims.

The decision marks a major victory for the Rochester Way campaigners and clearly has implications for other householders who, in the future, may face the prospect of declining property values caused by road or other public works.

In July last year Sir Idwal, in a lengthy report on the plight of the householders, said he had

failed to persuade the Department to make a special case over the Rochester Way claims.

The issue was whether the Department had taken all the proper steps to ensure that the 1,100 people affected by the road improvement scheme were aware of their rights under the Act. Only 790 out of the potential claimants had submitted claims by the June 1975 time limit.

The case was also taken up by a number of MPs including Mr. Edward Heath, the former Prime Minister, through whose Bexley constituency the Rochester Way road runs.

In January, the Ombudsman's complaints were upheld by the Commons Select Committee. The committee suggested that if ex-gratia compensation payments were considered by the Department to be impractical, then amendments to the Act should be considered.

Residents along the road who did submit compensation claims in time received between £150 and £1,000. This means the Department could now face a bill for up to £400,000.

Prince Philip visits Canada

PRINCE PHILIP leaves today on a four-day visit to Canada to attend the Duke of Edinburgh's fifth Commonwealth study conference in Montreal and Calgary. He will visit Upper Canada College on its anniversary and attend the Jubilee dinner in Toronto.

Overcrowding curbs local radio

THE AVAILABILITY of frequency bands may be one of the most serious limiting factors in the development of local radio in the 1980s, according to Lord Belstead, Parliamentary Under-Secretary at the Home Office.

Speaking yesterday at the Local Radio Association luncheon in London, he said that the medium and long wave frequency bands were already overcrowded. There was the prospect of more and more stations wanting to get on the air.

VHF was even more crowded. Engineers had a very difficult job of finding frequencies for new stations.

He said: "This limitation could involve real difficulty in finding frequencies for all the local radio stations which the BBC and the IBA between them wish to provide."

"Fortunately, we have not yet reached that stage but we must face the possibility. Another possibility is that it may prove possible to find a frequency for a station at MF or at VHF but not both."

The UK delegation to the World Administrative Radio Conference, meeting in Geneva, was seeking an upward extension of the VHF broadcasting band in recognition of the many demands which existed for more VHF frequencies.

Overcrowding could be a further limiting factor in local radio development, according to the under-secretary. He said radio and television were just as vulnerable to the consequences of increased costs as any other industry.

Brokers' association attacked

BY JAMES BARTHOLOMEW

THE Association of County Councils has attacked the newly established Sterling Brokers' Association as a de facto monopoly and an ineffective preventer of malpractices.

The Brokers' Association was set up 2½ months ago under the aegis of the Bank of England to help in the regulation of sterling money brokers. Brokers are middlemen who match up depositors and borrowers of money.

The county councils stated their objections to the brokers' association to Mr. J. R. Page, chief cashier at the Bank of England, last Wednesday.

The councils said the brokers' association created a de facto monopoly because the councils would feel obliged to use

brokers who were members of the association.

On Thursday, Mr. Ian Coutts, chairman of the local government finance committee of the Association of County Councils, wrote to Mr. Nigel Lawson, financial secretary at the Treasury. He said: "It seems that the Bank of England is about to set up a quango at a time when we understand the Government is seeking to thin out such bodies."

The county councils believed in the operation of a free market without creating employment for the staff of the Bank of England.

Mr. Coutts also told Mr. Lawson that the councils had made detailed objections to earlier proposals for a sterling brokers' association. The councils had not wanted membership to be compulsory for brokers, or minimum commission rates. These objections had been met.

But before they were met, the councils were told that they were alone in objecting to the proposed rules, wrote Mr. Coutts. This time they had again been told they were alone in objecting to the formation of the association.

The Association of County Councils represents the 47 non-metropolitan councils. Councils as a whole account for a large minority of the money market, ranking second behind the interbank market.

Controls on lotteries may be tightened

FINANCIAL TIMES REPORTER

STRICTER CONTROLS on information appearing on lottery tickets and in advertisements for lotteries are proposed by the Home Office in response to criticisms of present practice by last year's Royal Commission on Gambling.

Tickets would not be permitted to contain reference to any commercial activity except in the field of sport and cultural activity and related to the object of the lottery.

The new controls, proposed in a Home Office consultative document, would form part of an amendment to the 1976 Lotteries and Amusements Act. The Royal Commission, whose final report appeared in July last year, expressed concern at the way certain societies and local authority lotteries are pro-

moted. It called for measures to prevent commercial exploitation and improve the control of lotteries and for better control of tickets.

The reforms are intended to deal with practices the commission found objectionable. They would regulate societies and local authority lotteries but not other lawful lotteries.

One area of potential abuse mentioned "concerns" instant tickets, which, by, for example, the removal of an opaque seal, reveal instantly whether a prize has been won.

A lottery promoter, it says, would now be precluded "from requiring instant tickets for use in the lottery to be supplied to him in such a way that winning tickets can be distinguished from losing tickets before the tickets are sold."

Calor Gas 'buy now' publicity backfires

By Maurice Samuelson

ADVANCE BUYING of bottled gas for winter heating has led to scarcities in some parts of the country according to Calor Gas, the UK's leading supplier.

The company said yesterday that it had run short of cylinders and bulk tanks partly as a result of its own publicity urging people to stock up in time for winter.

It is therefore partly our own fault and it would be wrong for us to accuse people of hoarding," said Mr. Carl de Camps, Calor Gas managing director.

In the past two or three months it had released more cylinders than it expected. It also had some problems in obtaining sufficient liquefied petroleum gas because of the lower activity by UK oil refineries.

High prices paid for Victorian furnishings

CHRISTIE'S was busy yesterday with house sales, one in Lancashire, the other in London. The top price was paid in the north, at the sale of the contents of Ellet Grange at Galgate.

It was a remarkable auction because it consisted of the complete furnishings of a Victorian home. The house was built for William Preston, a Mayor of Liverpool, in the Italianate style, in the late 1850s and furnished by Gillows of Lancaster and Jackson and Graham of Oxford Street, London. It has remained in the family, until now.

The highest price was the £26,000 paid by London dealer Richard Green for "The Signal" by Jacob Thompson, which was exhibited at the Royal Academy in 1860. It is generally regarded as the masterpiece by this artist, whose work rarely appears on the market.

Other high prices were the £7,000 for a suite of mid-Victorian walnut framed and upholstered seat furniture—23 items in all, £8,000 for a set of

Prince Philip visits Canada

18 Victorian silver dessert plates, and the same sum for a mid-Victorian walnut and parquetry side cabinet by Gillows.

In London, Christie's, South Kensington, sold the contents of 12, Kensington Palace Gardens.

SALEROOM

BY ANTHONY THORNCROFT

the home of the Dowager Marchioness of Cholmondeley. The auction brought in £120,252, double the pre-sale forecast.

The top price was the £7,000 for a 17th-century Brussels tapestry. An 18th-century Flemish tapestry fetched £4,500. An ornate mounted kingwood bureau plate of Louis XV design made £5,200. A surprise was the high price of £1,200 paid for a white enamel bath of the turn of the century.

At Sotheby's the first day of a private books sale brought in £27,461. A complete set of Agricultural Surveys of Great Britain 1794-96 sold for £2,680—twice as much as expected.

Table for CHANNEL TUNNEL INVESTMENTS LIMITED. Columns: Interim Report for the six months ended 30th June 1979, 6 months to 30th June 1979, 6 months to 30th June 1978, Year to 31st Dec. 1978. Rows include Income from listed investments, Interest receivable, Administration expenses, Profit before taxation, Taxation, Profit after taxation.

Table for BASE LENDING RATES. Columns: Bank Name, Rate. Lists various banks like A.B.N. Bank, Allied Irish Bank, Amro Bank, American Express Bk, etc.

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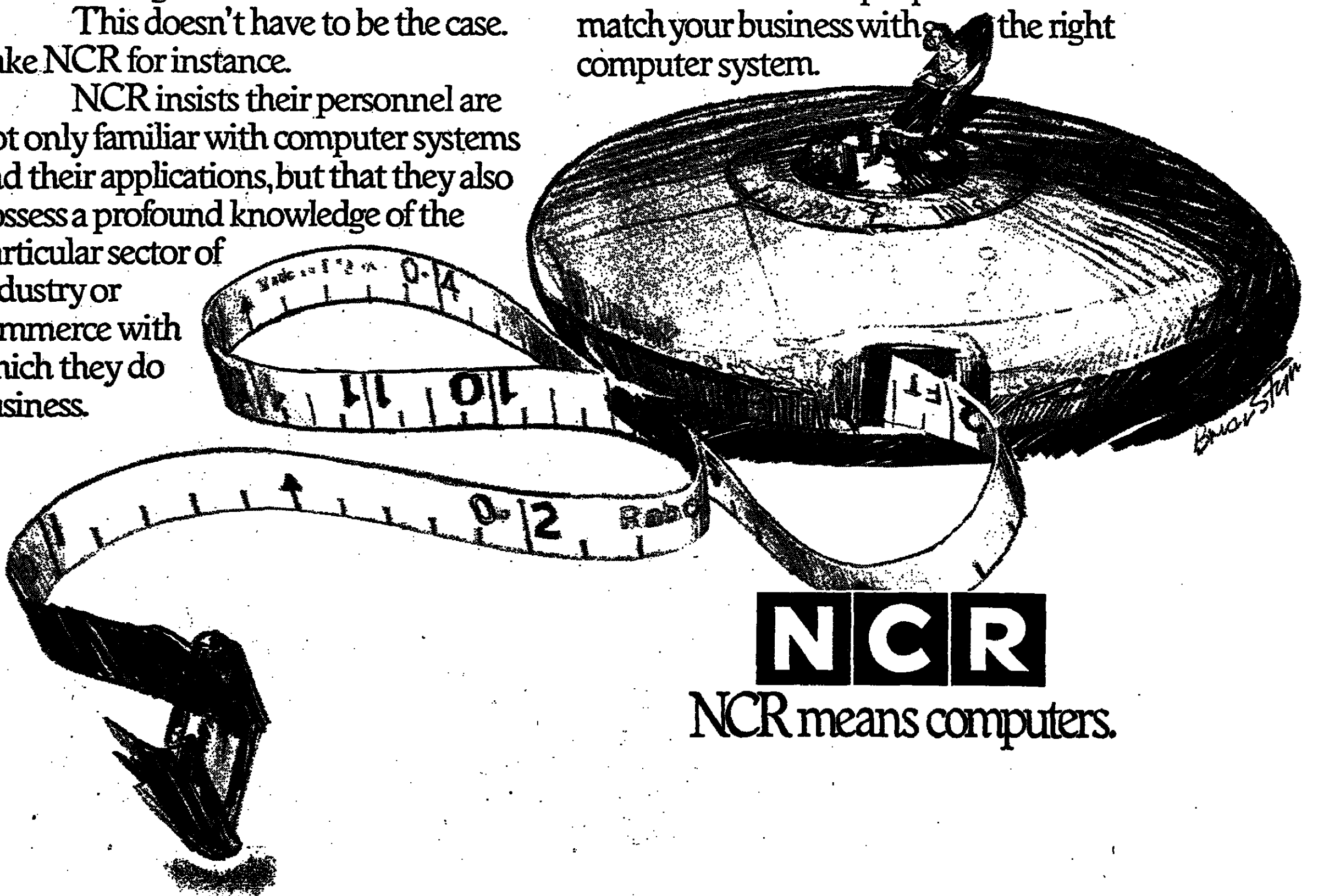
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UK NEWS

MICHAEL LAFFERTY PROFILES THE MAN BEHIND THE CITY'S WIND OF CHANGE

Banking heads for electronic age

IF THERE IS one senior clearing banker who stands out as different in the City it is Mr. Deryk Vander Weyer, this year's president of the Institute of Bankers.

visions—would be left undisclosed is said to have set a few telephones ringing. One or two other banks were not quite ready for such radical moves.

Now a vice-chairman at Barclays with functional responsibility for finance and planning, Mr. Weyer is well placed to judge the disclosure issue. Whatever he may feel in private he does not dissent from the standard line that the banks' general provisions are there to cover losses actually incurred but not yet identified; that the provision itself is very small in relation to shareholders' funds—and most certainly it is not used for profit smoothing.



Deryk Vander Weyer

rather than a member of a profession per se. "We are and must remain a highly commercial industry. Banking is not in my view a learned profession in the same way as accounting and the law."

He believes that the Institute examinations—the pass in which is a must for all aspiring clearing bankers—have now attained a sufficient degree of advancement.

That said, his own objective while in office is to strengthen post experience work at the Institute—including venturing into some aspects of management training: "Bankers need to respond to the growing sophistication of their customers, I would like to see the Institute of Bankers as a central training body for all levels of bank managers."

He also hopes to convince the few remaining city merchant banks which do not support the Institute of the relevance of which is a must for all aspiring clearing bankers by the demands of his job, must be a generalist. "To the elitist specialist he may look less than sharp," admits Mr. Weyer. Yet his own experience within Barclays leads him to the view that when clearing bankers have been tested they have generally come out with flying colours: "In the fringe banking crisis when our staff went into merchant banks they performed well and looked a good deal better in many cases than the people who were there. And when Barclays has sent clearing bankers overseas there has never been a failure to adapt to the new environment."

Mr. Weyer's straightforward concept of the banks as a service industry, selling intangible products to an increasingly sophisticated and demanding customer, no doubt explains his view on accounting. It seems to shape everything he says. President of the English Institute of Bankers—the senior banking professional body in the world—he may be, but he sees the clearing banker as a man with professional standards

accepts that specialisation has been slow to develop within the clearing banks—though much has changed in the past 10 years. "If we had property expertise a few years ago banks might have been saved some of the trouble of the fringe banking crisis."

Specialisation now exists in areas of energy and agriculture, but Mr. Weyer believes that banks ought to have moved further in the field of industrial expertise. The need did not exist until the trend over the past decade for the clearers to get involved in medium-term lending. But quite how industrial specialists might be recruited and placed within an individual bank is difficult to judge, he says.

Liquidity

The present debate within banking circles about capital adequacy in banking inevitably involves Mr. Weyer. With due respect to the Bank of England, whose paper on the subject is still supposed to be secret, he refuses to discuss details of the Bank's proposals.

However, it is clear that he is not over impressed with the Bank's suggestion that the free capital ratio should be an adequate indicator for the public to judge the security of individual banks. The gearing ratio, which the Bank does not propose to have published, would be more useful—though the co-efficiency attached to summatists will be the subject of some argument.

Mr. Weyer is much more interested in liquidity in banking than capital adequacy.

Pit output 'delayed by protest groups'

By John Lloyd

ENVIRONMENTALISTS and other pressure groups have delayed full production at the new coalfields of Selby and Belvoir by several years, with a loss of tens of millions of tonnes of coal, according to a member of the National Coal Board.

Mr. John Mills, board member for production, makes his attack in an article in the current issue of Coal and Energy Quarterly, the NCB's review.

It comes a week before the industry into the board's plans to develop the Belvoir coalfield in North East Leicestershire is due to start.

Mr. Mills says new investment in coal mining will secure a stable and adequate supply of energy at reasonable prices. "For such a bright prospect to be hampered by conservationists and environmentalists is folly beyond belief and a great disservice to Britain. Britain cannot afford such costly delaying efforts."

Farmers in the Vale of Belvoir, who are opposing the NCB's plans, should welcome them, Mr. Mills says. "Much of the coal will go to power stations thereby ensuring a stronger electricity network and freeing oil for those farming activities for which it is still vital."

Farmers and engineers are natural allies, with a common interest in meeting society's needs.

"Nor will the population generally be prepared to turn the clock back," said Mr. Mills. "Between 1953 and 1973 car traffic increased sixfold, washing machines, refrigerators, televisions and a range of domestic appliances became standard in the home, and central heating became the rule rather than the exception. We have improved our environment out of all recognition."

Customs blamed in 'sweet scented water' case

FINANCIAL TIMES REPORTER

EXOTIC OILS shipped from the Far East to Europe were never checked-sampled in compliance with Indonesian customs regulations, it was alleged in the High Court in London yesterday.

Mr. Richard Sherriff, who went to Indonesia to investigate how hundreds of drums of the oils arrived at European ports mysteriously containing "sweet scented water," described to Mr. Justice Mocatta how he visited a "go-down" or warehouse at Tanjung Priok, the port for Djakarta, in October 1976, and spoke to the head of the "go-down," Captain Suyono.

It was the "go-down" at which the oils, supplied by Farmaport of Djakarta, had been stored before shipment and where check samples should have been taken.

"Captain Suyono said that, as far as he was aware, there had not been any sampling by customs," said Mr. Sherriff.

Mr. Sherriff carried out his investigations for the underwriters who insured the cargoes on drums, which were lost in 1976. The insurers have refused to meet the claims.

Fuerst Day Lawson, commodity shippers, are suing Orion Insurance, as representative of the 20 underwriters, for \$33,851 and £1,924. The overall claim amounts to \$512,693 plus further claims of £17,644.

Mr. Nicholas Phillips QC for Orion, has alleged that a "bare-faced fraud" took place which netted Mr. Nien Waworuntu, Farmaport's proprietor, huge sums of money.

The cargo of oils had been switched for water before transit began, and the underwriters were therefore not liable to meet the claim, said Mr. Phillips.

He also accused the Indonesian customs of slackness in performing their duties.

Yesterday Mr. Sherriff told the court that he had attempted to contact Mr. Waworuntu, but without success.

In cross-examination Mr. Sherriff said he knew that in 1976 Mr. Waworuntu had been imprisoned for a period while questioned about the missing oils by the Indonesian police but then released.

Mr. David Johnson QC for Fuerst, asked: "Did you know that in May-July, 1976 (the period when the oils were shipped) Mr. Waworuntu was in Europe travelling with an Indonesian delegation and visiting various buyers?"

Mr. Sherriff: "Not within my knowledge."

On Friday of last week Mr. Phillips for Orion had alleged that Mr. Waworuntu had obtained huge sums of money under letters of credit "without providing anything except sweet-scented water."

The case continues today.

Building orders rise to 12-month peak

BY ANDREW TAYLOR

NEW CONSTRUCTION orders in Britain during August were at their highest level for 12 months according to provisional figures published yesterday by the Department of Environment.

The figures are the most encouraging to have been received from the construction industry for many months and show a marked improvement in private-sectors orders during the three months to the end of August.

Total new orders received by British contractors during this period rose by 10 per cent over the previous quarter and were 3 per cent higher than in the same three months last year.

This improvement has been brought about entirely by private industry where orders for work rose by 32 per cent during the quarter and were 23 per cent higher than a year ago.

In private commerce orders were 11 per cent up on the previous three months and 3 per cent up on a year ago.

But new orders for public sector work remain depressed. In the three months to the end of August new public works orders fell by 13 per cent and were 2 per cent lower than in the same period last year.

It is too early to detect any major shift in private sector ordering trends as some of the recent improvement reflects the backlog of work that built up following the bad winter and wet spring of this year.

Total new orders during August expressed in constant prices and seasonally adjusted were worth £575m, the highest level since the same month last year when orders worth £582m were received. In current prices the total value of orders in August were £937m.

Department of Environment brick production and delivery figures are also more encouraging.

The three months to the end of September brick deliveries rose by 6 per cent to the same level as during the same months last year, an improvement on the industry's recent performances this year.

Brick production was 4 per cent higher than during the same quarter last year.

According to the department's provisional figures 436m bricks were produced in Britain during August. Brick deliveries totalled 467m and stocks were reduced from 587m to 556m—representing about six week's current production.

Reinsurers drop £9.3m suit on computer leases

BY JOHN MOORE

NINE INTERNATIONAL reinsurance companies have abandoned a \$20m (£9.3m) legal action against the American Insurance Company, a San Francisco-based leasing concern, Americas Insurance Company, a wholly-owned subsidiary of Sedgwick Forbes Bland Payne, the UK's largest insurance broker, Marsh and McLennan Inc., the world's largest insurance broker, and a Californian-based appraisal company.

The action was over disputed computer leasing insurance. The scheme at issue was created for Itel after Lloyd's stopped underwriting mainframe insurance business in 1977. This scheme was unrelated to the Lloyd's computer policies.

The reinsurance concerns which launched the action were Sentry Insurance (UK), Ennia Insurance (UK), CNA Reinsurance of London, Yasua Fire and Marine Insurance (UK), Sumitomo Marine and Fire Insurance (Europe), New India Assurance, South British Insurance, Gothaer Versicherungsbank and Hanscock (UK) Insurance.

The action, filed in the U.S. courts, started at the same time that Itel began a \$26.6m action against Marsh and McLennan and Americas Insurance over the same disputed computer leasing scheme. Under that action Itel is claiming \$1.6m in unpaid claims: the remainder of its action is for punitive damages for a maximum of \$25m.

Although the reinsurers have abandoned their action they are throwing their weight behind the American Insurance Company, which they reinsured, in contesting the Itel suit.

The reinsurers on the scheme accounted for about 60 per cent of the reinsurances of the Americas computer business. Other reinsurers, who were not party to the action but who insured the computer scheme, were the Essex Insurance Company, Bellefonte and Pine Top Insurance Companies (whose underwriting is conducted by C. E. Heath (Agencies), and H. S. Weavers underwriting agencies).

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Receiver for greenhouse company

BRITAIN'S BIGGEST manufacturer of aluminium greenhouse kits, Edenlite of Swindon, Wilshire, has brought in a receiver. It is believed the company could not pay bills for aluminium extrusions, its main component in its greenhouses. Last month 25 staff were made redundant.

Retirement savings soar

SEPTEMBER WAS the best month so far this year for sales of the Department for National Savings index linked retirement issue. Receipts exceeded repayments by more than £25m, helping the Department's total net new intake in September to £107.4m. Almost £70m of this was accounted for by accrued and paid interest.

The other big contributors during the month were the National Savings certificate 18th issue, which showed a net increase of £12.5m, and the National Savings Bank Investment Account, where receipts topped repayments by £15.3m. Premium Savings bonds had another disappointing month with high repayments of £13.3m exceeding receipts of £10.4m. The total remaining invested in National Savings exceeded £12.2bn.

Universities earn profits, teachers' group claims

BRITISH UNIVERSITIES are centres of earning as well as learning, the Association of University Teachers has claimed. Every year they made a "profit" of £1.2bn from the £900m spent on them by government, says a report published yesterday by the association.

Universities were vital to industry as major research institutions and came up with inventions that earned money at home and abroad.

Profitable development projects included a new antibiotic which had earned £200m so far; a new motor which had had sales of more than £10m; and a money-saving system of toilet plumbing for hospitals.

Other ideas developed or examined by university research teams were X-rays, the darter of high alumina concrete, 3-D television, wave power, and contact lenses which do not have to be removed.

The association estimated this work was worth £500m.

The report has been produced as the first round in the teachers' battle against education cuts.

Mr. Laurie Sapper, general secretary of the 30,000-member association, said that it wanted to show that universities did not exist only to educate students.

"Universities are neither ivory-tower institutions having no contact with the real life of the country, nor do they exist merely for the purpose of turning out skilled manpower," he said.

"With research projects, technical and scientific advice given to industry and training of the country's skilled professional manpower, there is no doubt that a profit is made on the country's investments in the British university system."

The University's Contribution to the Nation, published by the Association of University Teachers.

Findus recruits

A CAMPAIGN by Findus, the frozen food company with manufacturing centres in Grimsby and Cleethorpes, to recruit more staff has provided 500 new jobs.

Co-ordinating refugee work

CHAIRMAN OF the Joint Committee for Refugees from Vietnam and of the Advisory Council for the Reception and Resettlement of Refugees from Vietnam is to be Sir Arthur Peterson, permanent Under-Secretary of State at the Home Office from 1972-77.

The joint committee will co-ordinate the work of voluntary bodies and the advisory council, shortly to be set up, will provide a wider forum in which organisations with an interest in the refugee programme can keep in touch with progress.

Jobs for 150 after sackings

EVER READY is to employ another 150 workers at its Tanfield Lea, County Durham, factory four months after making 240 men redundant.

A spokesman at the factory, which is Europe's biggest dry-battery complex, said there had been a marked upturn in its export trade.

An honoured town trapped between the centuries

BY PETER CARTWRIGHT

BRIDGNORTH IS doubly blessed, or unlucky, depending on how you look at it. The fine old bridge over the Severn in historic Low Town funnels people through it and helps to keep the place busy. But in summer the traffic tailbacks extend 10 miles. No one dares to stop.

High Town, proudly dominating the surrounding countryside from the bluff above, inspired the Council for British Archaeology to give the town an honoured place among 51 listed towns.

"Some of them are so splendid, and so precious that the ultimate responsibility for them should be a national concern," the council said.

But maintaining housing standards and meeting the aspirations of the residents amid the daily reminders of historic splendour is sometimes extremely difficult. This is mainly the responsibility of the district council.

High Town doesn't just have listed buildings, but a whole street, Georgian East Castle Street. It is a place where people want to live out their lives, and where the younger ones try to meet the modern world on its less gracious terms.

In balancing the often conflicting ambitions of the townsfolk, the continuous concern of the dominant family has been a strong influence. It is not usual these days to pay much respect to the landed gentry, but those who have guided the fortunes of the Apley Estate have exercised a beneficent patronage since Elizabethan times.

The Whitmore family owned most of the High Street and other property, including the grammar school, now private homes.

The Fosters, descendants of the first of the iron masters with extensive interests in the Ironbridge, Shropshire, and Stourbridge areas, bought the estate in 1869. Though they reduced its size, it still runs to 8,400 acres. In recent years it has been administered by nephews of the last Fosters.

Major General Edward Goulburn, who lives in Salfrey, and his brother, Brigadier Cuthbert Goulburn, who farms the Apley estates. Both are batchelors and the estate has been put in trust.

A former county councillor, Brigadier Goulburn retains his interest in the Ironbridge Gorge Museum and the Shropshire Playing Fields Association. He is also president of the golf club.

The brigadier, as he is known, has been one of the figures behind the development of the leisure centre. Under a sensible arrangement the school shares the use of the hall with the public.

The hall has been designed for dual purpose use. During the summer holidays, schoolchildren were able to learn for £1.80 the rudiments of 10 sports. On August bank holiday, 400 folding seats were pulled out for the start of the Royal Shakespeare Society's tour with Much Ado and the Caucasian Chalk Circle which it was premiering.

Such developments in the welfare of the town by its principal landlord, have been cohesive influences. Another, purely fortuitous, has enabled it to avoid the worst excesses of post-war expansion. Until the



BRIDGNORTH

new sewage treatment plant was built a few years ago, it was impossible to meet housing demands.

Now that the constraint has been lifted, the Bridgnorth structure proposals, recently presented for discussion, envisage a further 1,000 houses during the next 10 to 15 years. These would add to the 4,000 already catered for by the housing authority.

It is a reflection of the need for the houses that half are wanted by old people and married couples living with in-laws. The development will not, it is said, result in a net influx of people.

But the building of a badly needed by-pass to the west of the town, due to be completed by 1984 at a cost of £4m, is expected to lead to expansion. A second bridge over the Severn remains no more than a hope.

Fewer than half of the 7,800 employed population work locally. The others travel to Wolverhampton, Stourbridge, Telford New Town and surrounding areas. It is argued that unemployment is only 5 per cent (against 6.1 per cent regionally), but rises to 9.4 per cent as a statistic within the Oakenates travel to work area, which also covers Wellington and Madeley, in Telford. This is largely due to the 10.4 per cent of women out of work in the new town area, nearly twice the regional rate.

Nevertheless, Bridgnorth can count itself lucky in having principal employers with keen social sensibilities. These are Decca, making television sets and cassettes, and Star Aluminium, which manufactures foil and other sheet products. Decca is the bigger employer, with 1,150 workers of whom 70 per cent are women, half from the town. The company used to employ 1,500, but competition from the Far East and joint projects by UK competitors have whittled away employment and profits.

But qualities of management, a willing workforce that has never gone on strike, allied to progressive investment in mechanisation and a group willing to shoulder losses, has enabled Decca Bridgnorth to maintain its 8-10 per cent of the market for television sets. Indicative of its intentions not merely to stay in business, but to take a technological lead, is the launch of a 14-inch portable colour television set, the first of this size by a UK manufacturer.

We are also showing the lead in putting microprocessors into receivers," says Mr. Leslie Spear, managing director. "From October we shall have pre-programmed viewing. Our sets will tune to anywhere in the UK and you will be able to tell the set to switch on for up to four weeks ahead for a programme or series you want to watch."

Carlisle attacks militant teachers

By Michael Dixon, Education Correspondent

THE DECLINE of public faith in the education service was linked with an increased tendency among teachers to take up political standpoints on educational issues by Mr. Mark Carlisle, Secretary for Education and Science.

He told the annual conference of the Assistant Masters and Mistresses Association, at Bath yesterday, that what seemed to be a "deep suspicion" by the public of the teaching profession was very probably connected with the highly publicised militancy of some members of teachers' unions.

Up to 15 years ago the conduct of education had been very much a partnership between central and local government and the teachers' bodies, Mr. Carlisle said.

But recently the national debate about education had often had the public image more of "adversary politics" than of an attempt to solve problems professionally.

"Mr. Carlisle was accused of displaying a frightening degree of complacency about what is being done to the education service" by Mr. Fred Jarvis, general secretary of the National Union of Teachers.

Mr. Jarvis told the Oxford University Fabian Society that the NUT had yesterday presented Mr. Carlisle with a dossier of cutting being planned by various local authorities because of the Government's demand for cuts of 3 per cent and 5 per cent in the 1979-80 and 1980-81 education budgets.

The NUT dossier showed that schools and pupils would be deprived of necessary books and equipment; staffing standards would deteriorate; the training of practising teachers would be curtailed; nursery classes and adult education would be stopped or diminished; and the youth service would be reduced.

Mr. Jarvis also challenged Mr. Carlisle "to deny that his Government's cuts will further disadvantage the disadvantaged."

"That contrasts scandalously with the Government's intentions to lavish some £62m on the minority of children through its socially divisive and educationally indefensible 'assisted places' scheme."

Shipyard wins engine order

DOXFORD ENGINES, the Sunderland-based marine engine builder, has won a £1m order for a four-cylinder engine from an unnamed "major North American shipbuilder."

The engine is to go into a ship being built for delivery in early 1980. British Shipbuilders, which owns Doxford, said yesterday that the order would keep the company's slimmed-down workforce of 500 busy until the middle of 1980.

Advertisement for Toyo Trust Asia Limited, opened for business. Through this wholly owned subsidiary, The Toyo Trust & Banking Co., Ltd. is sincerely looking forward to expanding its economic and financial ties with Asian countries. Toyo Trust Asia Limited will also enable us to offer more diversified and sophisticated financial services on a worldwide basis. Chairman: Hideo Suzuki, Managing Director: Yoshiaki Shimonon. Address: Room 2605, 26th Floor, Alexandra House, 16-20 Chater Road, Central, Hong Kong. Telephone: 5-265657 Telex: 85198 TYTHK.

Law to ban insider trading 'urgent'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT hopes to bring forward legislation to ban insider trading on the stock market in a way which will strike at the guilty without prejudicing the innocent...

regard to the interest of their employees—although, on this point also, Mr. Parkinson had said that it was hoped to amend the present Bill...

The Government believed that self regulation by the City was the firmest, fastest and most responsive system of policing the markets...

The regulations would not prohibit institutional shareholders from taking a more active role and interest in the performance of companies in which they invested...

The Government did not propose that the consultations on the draft clauses should be long drawn out. They might be tabled as amendments to the Bill if the consultations did not solve what we all agree is a difficult problem...

Companies Bill may embody major reforms

BY CHRISTINE MOIR

FAR FROM being the uncontroversial mop up of EEC regulations that had been expected, the Companies Bill could embody major reforms of company law...

which does not make the problem worse is another. Mr. Cecil Parkinson, Minister for Trade, said yesterday...

The most important intangible is that relating to employees' interests. The main body of the Bill contains several clauses devoted to safeguarding the interests of employees...

Insider information then was information which the individual knew was not generally available and would be price-sensitive if it were available on request to those members of the public likely to take an interest in it...

Major shareholders are, however, specifically excluded, unless they receive information from insiders and must then stop dealing...

Ministers anxious about 'inflationary expectations'

BY IVOR OWEN

ANXIETY AMONG Ministers over the level of "inflationary expectations" was underlined yesterday by Mr. John Nott, the Trade Secretary...

Mrs. Sally Oppenheim, the Consumer Affairs Minister, refused to be drawn into specific forecasts...

Government granting a reprieve for the Price Commission. The Price Commission—which up to the end of March this year had cost £25m at out-turn prices—had added enormously to the bureaucratic burden imposed on British industry...

Mr. Robert Hughes, (Lab., Aberdeen N) suggested that if "increases in the pipeline were the main cause of the upward trend in the RPI, it should be possible for the Government to forecast when these would be worked through and stability restored."

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THE CONSEQUENCES FOR FLEET STREET

Managements attack on the Times 'surrender'

BY PHILLIP BASSETT, LABOUR STAFF

NATIONAL NEWSPAPER managements and senior print union officials both warned yesterday of the likely effects of the settlement of the Times Newspapers' dispute on other Fleet Street negotiations...

Fleet Street managements, though, focused on the pay increases in the Times agreement. Though the employers' group, the Newspaper Publishers' Association, was cautious in replying before it had studied the agreements, individual newspapers were fearful...

Mr. Brian Nicholson, joint managing director of the Observer, said the settlement would add to Fleet Street's difficulties...

Further threat to ITV stations

BY GARETH GRIFFITHS

ITV PLANS to resume broadcasting tomorrow after its 11-week blackout amid warnings that there could be further industrial relations problems with the most crucial broadcasting union, the Association of Cinematograph, Television and Allied Technicians...

White collar staff reject Ford's offer

BY NICK GARNETT, LABOUR STAFF

FORD yesterday opened pay negotiations for this wage round with an offer to its white collar staff of 12 per cent on salaries, and attendance and holiday bonuses...

Both sides recognise that yesterday's meeting formed little more than preliminary discussions. Although the white collar unions, whose anniversary date is October 21 are due to settle a month before the manual unions, the white collar staff and the company will be waiting to see the outcome of the negotiations with the manuals...

Large power claim likely

BY OUR LABOUR STAFF

POWER WORKERS' shop stewards are likely to unite behind a claim for substantial pay increases and a reduction in working hours at a meeting at the weekend...

Hours cut warning

BY GARETH GRIFFITHS, LABOUR STAFF

THE TUC objective of a shorter working week should be treated cautiously and could lead to increased labour costs and a rise in unemployment, Lord Gowrie, Employment Minister, said yesterday...

Cuts in overtime payments would be regarded as cuts in pay, since there was little evidence that leisure was regarded as something to be offset against pay, Lord Gowrie said...

Job services 'can still be improved'

BY OUR LABOUR STAFF

IMPROVEMENTS IN employment services during the next 10 years are recommended in a Manpower Services Commission report published yesterday...

The report says that comparing Jobcentres and employment offices which have been re-structured with those which are unchanged, Jobcentres handled 21 per cent more vacancies, filled 26 per cent more of them and placed 39 per cent more people into employment...

Anger at continued Pol Pot recognition

BY IVOR OWEN

THE GOVERNMENT came under pressure from both sides of the Commons yesterday to withdraw recognition from Pol Pot, the former head of government in Kampuchea...

Labour and TUC plan policy study

By Philip Rawstone

LABOUR Party and trade union leaders yesterday agreed to co-operate in a wide-ranging programme of long term policy studies...

Electricity discount scheme scrapped

BY RICHARD EVANS, LOBBY EDITOR

THE GOVERNMENT is to scrap Labour's electricity discount scheme and substitute proposals that will concentrate aid on the very old, and poor families with young children...



FIRST NIGHT: Labour's new MP, Mr. Robert Litherland, arrives to take his seat at Westminster. He is accompanied by his wife Edna.

TRANSPORT

In search of a low cost bus

REVOLUTION in the making of buses, trucks and vans is being pioneered at CIT with backing from British industry and the National Research Development Corporation.

A prototype vehicle cab made of a plastic and steel composite has been built and tough wear-and-tear testing is to begin soon. A 30-seater bus of the same material will be completed in the next three months.

The new techniques—which involve a re-think of some of the automotive industry's traditional manufacturing methods as well as its use of conventional materials—are the idea of Mr. Gordon Wardle, independent consultant to the Structural Design Group at Cranfield.

The prototype cab consists of prefabricated steel and polyurethane panels bolted on to a conventional steel chassis. Panels are of standard size and can be made in factory moulds.

A complete bus body can be constructed from just two types of standard modular panels—one for the sides of the vehicle and another for the roof. The front and back ends of the bus can be made of fibreglass.

The same panels can be used for bus bodies of varying length. No internal trim finishing panels are needed. The strength of this design is at least the equal of conventional present-day structures. The body should have a virtually unlimited service life as corrosion will be non-existent.

This method of making a bus is likely to save 80 per cent of man-hours in body work construction. That in turn could, Cranfield asserts, reduce the cost of manufacture by "some thousands of pounds."

The vehicle cab—which consists of a Ford chassis, an engine and the modular panel cowork, will shortly undergo extensive road testing. Two bays of the bus, in the form of a box van body, have already successfully completed 2,000 kilometres on the Ford pave track.

The prototype bus, which is being built on another Ford chassis, should be completed by December. This vehicle will be evaluated by the Ford Motor Company.

More from Cranfield on 0234 750111.

INSTRUMENTS

Evaluation of hardness

NOW AVAILABLE on the European market is a micro-hardness tester designated MHT-1 from the Japanese manufacturer, Matsuzawa Seiki.

Already used in various industries—electronics, medical instruments and aerospace—it is said to be particularly useful for evaluating hardness of delicate components and very thin or soft materials and coatings.

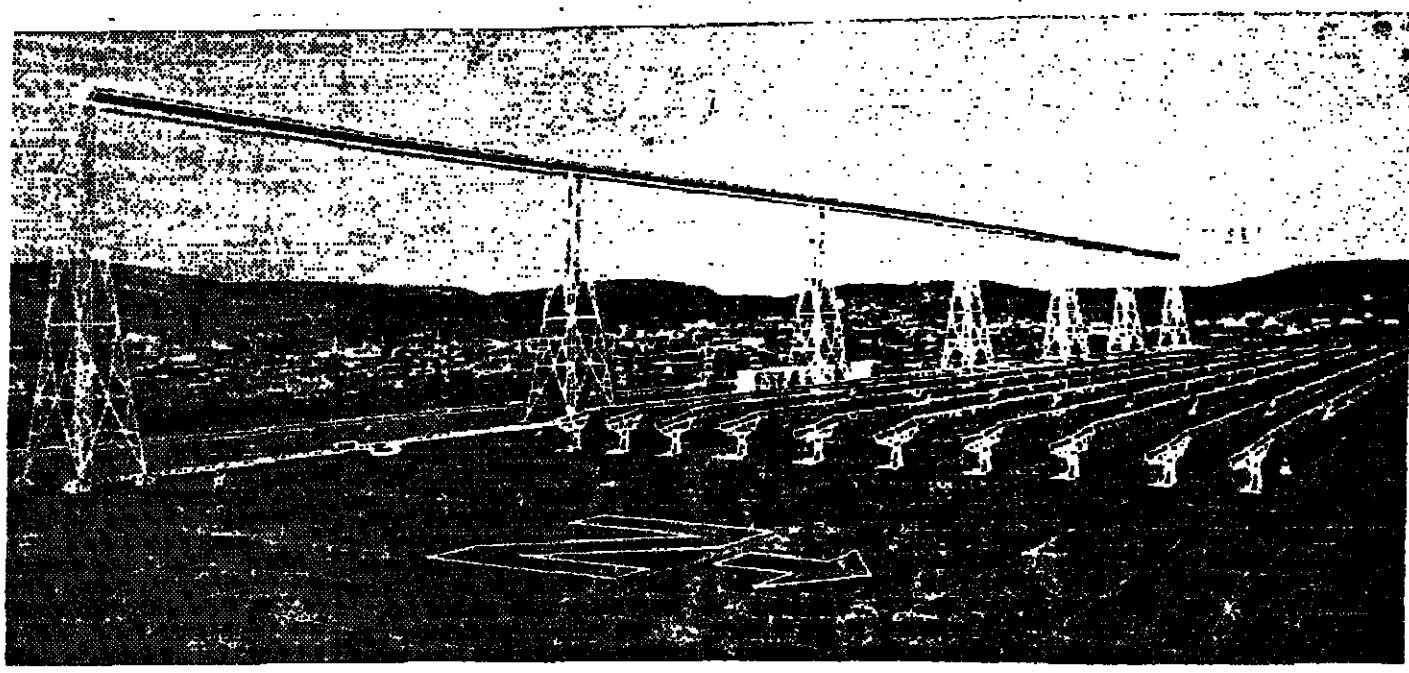
The measuring cycle is fully motorised with one simple push button operation causing a diamond indenter to advance, indent the specimen under controlled load, and withdraw. A "dwell" period during which

full load will be applied, is variable from five up to 30 seconds, so that materials having varying degrees of elasticity may be successfully tested.

Comprehensive range of accessories is supplied as standard, but a variety of options together with numerous work-holding attachments, include a range of cameras (a video TV camera/monitor set for display and measurement of the indentation) eliminating the need to view through the microscope.

Further from Hordness Control Instruments, Maylie Trading Estate, Martley, Worcs. (088 66 493).

ENERGY



Solar may cost less than coal

BOLD CLAIMS that its new design of solar generating plant will produce electricity at costs lower than those of equivalent coal stations have been made by SRI International.

That organisation led an industry design team which also included Bechtel, Foster-Wheeler and Acurex Corp. with Pacific Gas and Electricity acting as consultant utility.

The conceptual design of the plant was contracted for by the Department of Energy. Main assumption by the team was that coal prices would rise on average by 8 per cent a year and it projected that the first full-scale plant based on its design would be in operation by 1990.

Sun reflectors (heliostats) in the SRI design are arranged in rows and it calls the design a line-focus system. Each heliostat—3 long, mirror-like panels—backed by glass-reinforced cement—tilts upwards to reflect sunlight on to a long receiver raised on lattice towers.

This intense sunlight is collected in the receiver cavity where it heats a salt to high temperatures and the heat thus generated is used to generate steam and thus drive a turbine. SRI says that its design makes

it possible to store extra heat and permit power generation during the night, thus obviating one of the main cost sources for solar power—the need for extensive storage and/or backup plant.

Another advantage claimed is that such plant would begin to produce power as soon as the first line of heliostats was set up while close proximity to the load would create no pollution problem and reduce transmission costs.

SRI sees as primary users of the plant the large power companies and the Government but believes that once the technology is proved, small communities and industrial users could build their own, implying that the technology is not complex.

Apart from electricity generation, the plant should have considerable potential as a source of industrial heating, or to produce both power and steam.

For a community of 30,000 inhabitants, the ground area covered would be one half a square mile and thinking in the U.S. is that such plants could proliferate all over the western and south-western states over the next 30 years. Installation figures predict that more than 400 plants, each of 100 MW will be in service by then.

These figures may seem highly optimistic in the UK where solar power generation has never been in the running. In the U.S. whereas a few years ago the physical size of the area which has to be devoted to the collector farm and the cost of the generating plant to work with the comparatively low energy steam coming from salt-based concentrators were con-

sidered to militate strongly against solar generation, much of the thinking appears to have changed radically. It is too early for Three Mile Island with its vast \$500m decontamination bill to have such an effect. This can only accelerate the move to solar.

SRI International, 333 Ravenswood Avenue, Menlo Park, Cal 94025, U.S.

Power plant idea

FURTHER significant details of the French "linear engine," reported on in the Technical Page on October 15, have come to light.

From laboratory work in progress, it appears that the motors working at between 160 and 170 cycles per second will deliver about 60 kW per litre of cylinder capacity, corresponding to a specific power of about 1kW per kilogramme or between three and four times better than conventional lightweight motor/generator plant.

In the earlier report, it was stressed that one of the aims of the project was to reduce the period during which the cylinder and the piston were at high temperatures. During development, the inventors succeeded in cutting this energy-wasting time gap from 2 milliseconds to as little as 300 microseconds. At the same time, the thermal efficiency of the design was raised from 0.30 to between 0.50 and 0.60.

Although it is early days to outline what the product ranges might be, the developers are tentatively thinking along the lines of motors in which power per cylinder will run from 10-50 kW so that units of up to 600 kW might ultimately be built, the low end being around 20 kW.

Immediate—that is, as soon as production models are available—applications are generators for welding equipment, standby power units, main engines for small naval vessels or for "juggernauts" on international transport routes, high-powered agricultural equipment and big earth-movers, and, at a later stage, rail locomotives and private cars.

Balance is assured ab initio because each engine would be built up on the basis of twin, opposed pistons.

Further details from Elf-France, Division Développement, 7 rue Nélaton, 75739 Paris, Cedex 15, France.

COMPUTERS

Versatile data links

WITH THE formal agreement likely to be signed at the turn of the year for Computer and Systems Engineering (CASE) to be taken over by Paradyne Inc, the Florida modem manufacturer, the UK company has introduced data transmission equipment which should put the new grouping in a strong position in Europe.

The new Paradyne-CASE organisation, from which the National Enterprise Board is almost certain to withdraw (it has a 28 per cent holding in CASE) will be able to provide a manufacturing base in Europe for Paradyne, which has been shipping its modems from the U.S. to Europe via CASE. Almost any requirement for data transmission will then be capable of being met.

The new equipment, called DCX, combines multiplexing, contention, concentration and exchange (private switching) functions in one upgradeable product that will be of great interest to those managing data networks.

DCX offers low cost entry into data communications yet can be expanded into the most complex network on a "pay as you grow" basis. A simple four channel point-to-point link can be gradually built up with company communications growth to a network of almost 4,000 channel ends and 12 high speed composite lines.

Networking properties of DCX allow an almost infinite variety of data links to be established between locations using a relatively very small number of phone lines. Furthermore, the exchange (switching) systems enable a terminal user or a computer to set up any desired route through the network on demand simply by entering an address on a key-

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HANDLING

Dispensing liquids in safety

SPECIALLY DESIGNED for use with containers dispensing highly flammable liquids is a new safety drum vent, called the Fireliant SDV 1 introduced by Fireliant Equipment Company, 108a Upper Aughton Road, Southport, Merseyside (0704 64617).

This has been developed for use with 5 to 45 gallon capacity drums as an alternative to pressure relief valves and fusible vents which, under certain circumstances including misuse through ignorance and some fire situations, can actually increase fire hazards.

Unit embodies a spring-loaded valve fitted with an air intake vent and two flame arrestors—a small one inside the air intake and a second one in the body of the unit.

In the event of a build-up in pressure inside the drum, the spring-loaded valve opens until pressure is relieved, and then automatically closes.

Thus, should a fire situation occur in the immediate area, vapour is bled off gradually, giving additional time for remedial or emergency action.

As containers should breathe so that liquid can be drawn off, the spring-loaded valve is fitted with a simple air intake protected by a flame arrestor to prevent ignition of the container contents.

Thus, the terminal user on a private network has a high speed dial-up access to the computer of his choice.

It is also a simple matter to change the network configuration with no question of wiring changes. The DCX simply obeys "maps" which can be built up off line and then swapped for the current map by a single command, invoking "the new network."

Further financial gains are made by the fact that low cost asynchronous terminals can be used, the DCX providing the necessary error checking.

The statistical multiplexing used is also a money saver since it makes sure that best use is made of the system. For example, a company might have four VDUs working at 1,200 bps and three 300 bps printers, calling for 5,700 bps altogether. Conventionally, a pair of modems working at 7,200 bps would be needed on the telephone line, but the statistical method used by DCX averages out the data flow enabling the modem speed to be reduced to 2,400 bps, with a saving of several thousand pounds.

CASE expects to achieve sales of \$50m for DCX and is already conducting sales campaigns in places such as South America, the U.S., the Far East and from next month, China. Harefield Road, Rickmansworth, Herts WD18 1PL (08237 76899).

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Designation of the new machines is DPS 8 and, for the time being, only the DPS 8/70 is being launched on the UK market. This is a unit which provides slightly less power than the IBM 3032. But it can be run with four processors working together at which point the array becomes more powerful than the largest of the IBM series in tandem.

Its cost is £880,000 with one Megabyte of main memory and monthly rental is £23,850. Available in the U.S. are the 8/52, which is aimed at the 3031 market and has an improved price/performance ratio and the 8/44 and 8/20, intended to compete with machines in IBM's 4800 Series and their equivalents.

New Honeywell machines

MOST IMPORTANT aspect of the new Honeywell "big-end" machines, so far as the potential users are concerned, is the fact that the company has further developed its deservedly famous GCOS operating system so that it runs both on the new equipment and on previous large units in the Level 66 group.

Designation of the new machines is DPS 8 and, for the time being, only the DPS 8/70 is being launched on the UK market. This is a unit which provides slightly less power

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MINORCO

MINERALS AND RESOURCES CORPORATION LIMITED

(Incorporated in Bermuda)

Extracts from the review by the President, Mr. W. D. Wilson

Proposed expansion of the corporation's interests

I should like to refer members to the press announcements published on 17th October 1979 by the corporation, Anglo American Corporation of South Africa Limited (AAC) Charter Consolidated Limited (Charter), De Beers Consolidated Mines Limited (De Beers) and Zambia Copper Investments Limited (ZCI) giving details of the proposals to expand substantially the corporation's asset base and to secure its effective release from all obligations relating to Botswana RST Limited (BRST) and BCL Limited (BCL). Full details of these proposals, together with their anticipated effects on the corporation and its members, are set out in the circular which is being posted separately to members. The proposals involve, inter alia, the issue of new shares in the corporation in exchange for assets to be received, and members will be asked to approve these arrangements at a special general meeting of the corporation.

At the time of the transfer of the corporation's domicile to Bermuda in 1970 the board expressed its intention of expanding and diversifying the corporation's interests by seeking new business on an international basis. The latest proposals, if implemented, will not only considerably improve the corporation's asset base but also enhance its ability to seek major new international business, predominantly in North America. If the proposals are approved by shareholders, it is the intention of the board, in the light of the consequential anticipated material increase in investment income, combined with the effective release from the obligation to provide finance for ZCI in respect of BRST and BCL, to recommend that the dividend for the year to 30th June 1980 be increased to 18 cents a share payable as to an interim dividend for the six months to 31st December 1979 of four cents a share on the existing capital and a final dividend for the year of 14 cents a share on the enlarged capital, compared with a total dividend of 12 cents a share declared in respect of the year to 30th June 1979.

The year in brief

Dividend income was substantially higher in 1979 due to increased distributions received from EMC and Trend, in which the corporation has interests of 29 per cent and 43 per cent respectively. However, as in 1978, no dividend income was received from the corporation's investments in the copper industry namely ICC and ZCI. The corporation holds a 49 per cent interest in the equity of ZCI, while, through an equally-owned United States company, Plateau Holdings Inc., the corporation and Hudbay hold 100 per cent of the common stock of ICC. As at 30th June 1979, 713,583 units of ICC preferred stock were in issue, such stock having a cumulative dividend of US\$1.80 a share, the same voting rights as the common stock and being redeemable, at the option of the holders, on each quarterly dividend payment date for US\$33 a share.

The profit before taxation and extraordinary items for the year ended 30th June 1979 was US\$16.29 million compared with US\$16.32 million in 1978. The comparatively small reduction in profit before taxation of US\$0.03 million is accounted for by a fall in income of US\$1.24 million due to the non-consolidation of Zamanglo Industrial Corporation Limited for the year under review, a reduction of US\$0.38 million on interest and sundry income, reduced income of US\$1.39 million arising from currency fluctuations, additional administrative expenses, interest and prospecting of US\$0.22 million, offset by additional dividends from investments of US\$3.30 million. After deducting US\$1.22 million for foreign taxation, the taxed operating profit for the year before extraordinary items was US\$15.07 million (30.48 US cents a share), compared with US\$15.15 million (19.63 US cents a share) in 1978. An amount of US\$20.41 million (43 US cents a share) in respect of the group's share of retained net earnings of associate companies has been added to the taxed operating profit of US\$15.07 million. Dividends amounted to US\$8.83 million or 12 US cents a share—unchanged from the previous year. The deficit on extraordinary items of US\$1.1 million related in the main to the loss arising in its associate, ZCI, on the writedown of loans to BRST.

Engelhard Minerals & Chemicals Corporation (EMC)

The excellent results achieved by EMC in 1978 have proved to be but a stepping stone to better things in 1979. Profits in the first half were double those of the same period in the previous year and in the first seven months of 1979 the company earned more than in the entire previous year.

The Phillips Brothers division again led the way and accounted almost entirely for the increase, with pre-tax profits nearly being trebled. EMC is constantly looking for new opportunities for investment and development and continues to devote its efforts to broadening its earnings base. To this end it will spend an amount of US\$75 million on capital projects during the current year, which is 50 per cent higher than in each of the two previous years.

Trend International Limited (Trend)

Gross income of Trend, in which the corporation has a 43.15 per cent interest, totalled US\$39.26 million in 1978 compared with US\$33.80 million in 1977. Funds generated from operations amounted to US\$17.87

million compared with US\$20.22 million in 1977. Consolidated net earnings for the year amounted to US\$10.17 million.

Gross production from Trend's Indonesian operations totalled 25.95 million barrels (71,000 barrels a day) compared with 28.5 million barrels (78,000 barrels a day) in 1977. Trend's share of sales from the project was 2.65 million barrels (7,350 barrels a day) compared with 2.8 million barrels (7,718 barrels a day) in 1977.

For the six month period ended 30th June 1979, Trend's net earnings were US\$6.32 million compared with US\$5.16 million in 1978. During the same period gross Indonesian oil production averaged 63,173 barrels a day compared with 71,351 barrels a day during the corresponding period in 1978. Trend's crude oil entitlement averaged 6,111 barrels a day during the six month period as compared with 6,951 barrels a day in the corresponding period in 1978.

Inspiration Consolidated Copper Company (ICC)

During 1978, ICC delivered 89,354,000 pounds of copper at an average price of 64.92 US cents a pound for gross revenues of US\$103.29 million compared with 90,873,000 pounds of copper delivered in 1977 at an average price of 66.84 US cents a pound for gross revenues of US\$105.68 million. ICC's net loss in 1978 amounted to US\$7.82 million or US\$2.38 a share, down from a reported net loss in 1977 of US\$11.14 million or US\$3.41 a share. No dividends were paid in 1978, while in 1977 a dividend of US\$0.20 a share was paid.

For the first six months of 1979, ICC delivered 50,320,000 pounds of copper at an average price of US\$0.82 a pound for gross revenues of US\$41.00 million compared with 43,430,000 pounds for the first six months in 1978 at an average price of US\$0.63 a pound and recorded a net income of US\$4.69 million or US\$1.80 a share, compared with a net loss for the corresponding period in 1978 of US\$3.06 million or US\$0.93 a share. Total operating revenues were US\$42.87 million in 1979 compared with US\$31.15 million in 1978. Construction of a US\$12.5 million solvent extraction plant at Inspiration is under way and will be commissioned late in 1979.

Zambia Copper Investments Limited (ZCI)

ZCI earned a net profit before extraordinary items of US\$1.02 million for the year ended 30th June 1979. No dividends were received from either Nchanga Consolidated Copper Mines Limited (NCCM) or Roan Consolidated Mines Limited (RCM) in which ZCI holds 39.97 per cent and 9.84 per cent of the equity respectively. A deficit on extraordinary items of US\$2.84 million was recorded, mainly relating to the provision against loans advanced to BRST. The deficit on extraordinary items was met by a transfer from share premium account leaving an unappropriated profit carried forward at 30th June 1979 of US\$1.52 million. No dividends were declared during the year.

Zambian industry and agriculture

While the contributions from the farming and property divisions remained virtually unchanged from those of the previous year, the higher investment income enabled the Zamanglo Industrial Corporation (Zamic) to increase its net profit from K1.02 million for 1977/78 to K1.11 million for the year to 30th June 1979. Zamic has declared a dividend of K550,000 net of withholding tax, compared with the previous year's dividend of K500,000. The overall dividend pipeline awaiting externalisation extends back over a number of years because of Zambia's tight foreign exchange position and it is likely to be some time before the 1978/79 dividend will be remitted. However, following recent allocations of foreign exchange by the Central Banking authority, the Zamic dividends for 1974/75 and 1975/76, totalling K310,000, have now been externalised, leaving dividends totalling K1.55 million, still awaiting externalisation.

Prospecting

The corporation continues to participate in the exploration programmes of Australian Anglo American Limited and Anglo American Corporation do Brasil. In regard to the former, the exploration programme to evaluate the Namoi copper deposit in Fiji continues. Given present copper prices, however, it is unlikely that this prospect will be developed for some years to come. In regard to Brazil, the corporation participates in gold exploration programmes through the investment in Unigeco Geologica e Mineracao S.A. Investigation is continuing on the Jacobina auriferous deposit and a feasibility study is being prepared at the present time.

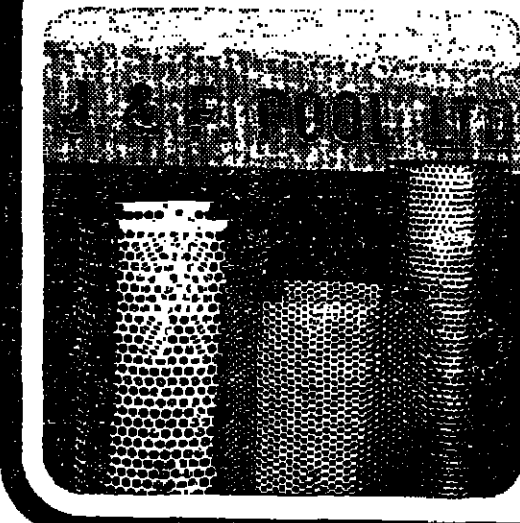
Future prospects

The proposals to be put to members at the forthcoming special general meeting of the corporation represent a continuation of the active policy of expansion pursued by the board since 1970. Not only should these proposals ensure a substantially higher level of profits, but they will also provide a greater diversity both of income source as well as geographic distribution of investments.

Copies of this review and the report and accounts are obtainable from the London office of the company at 40 Holborn Viaduct, EC1P 1AJ, or from the office of the United Kingdom Transfer Secretaries, Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Kenneth Gooding, on the diversification plans of the Ogle consultancy, source of some of the best UK car and truck designs of the last 25 years

A driving force in British design

THE WORLD'S MOTOR manufacturers' current struggle to bring forward fuel-efficient models for the 1980s, will give car and truck designers the chance to boot out many old ideas.

"For example," says Tom Karen, managing director of Letchworth-based Ogle Design, the UK's biggest independent product design consultancy "the currently fashionable low and wide car is not so good for aerodynamic efficiency. Who needs two and a half seats in the front of a car?"

"Why not have a compact, high and narrow car like the fuselage of an aircraft? I certainly look for higher, narrower cars in the 1980s. The question is: How fast can the industry go to introduce them to relatively conservative customers?"

Ogle Design celebrates its 25th anniversary this year. It had expected to end the year on a high note with Leyland Vehicles' introduction of the T45 truck range, Leyland's "truck for Europe" and one on which the Ogle team did a great deal of work.

But in order to make sure the launch of a vehicle vital to its future goes properly, LV has again delayed the launch of the first T45 model until March next year.

By way of compensation, however, two of Britain's smaller commercial vehicle groups, Shelvoke and Drewery, and Dennis, have begun introducing vehicles with Ogle-designed cabs. These are low-cost steel cabs, made mainly from folded steel panels. This cuts out the requirement for expensive tooling needed to press the panels which low-volume producers could not possibly afford.

The motor industry provides most of Ogle's income but, wary of tying the company too closely to the UK industry's fortunes, Karen plans to accept no more than 80 per cent of his workload from this source in future.

Karen took over the managing director's chair at Ogle in 1964 after the company's founder, David Ogle, was killed in a car crash. He inherited what was already a large organisation in design-house terms.

"You can either have a group of three or four people or go on to a team of 12 with a little administration at the centre. After that you must get big, or you will not be able to afford the cost of a non-productive administration team. When I joined Ogle we were already at the stage where we had to become big."

Today Ogle employs more than 60 people, including 20 designers and 30 making models and prototypes. It is probably



Examples of Ogle Design's work: top left, the Leyland Vehicles' T45 "truck for Europe" to be launched next spring; middle, the controversial Reliant Scimitar, part sports car, part estate; bottom left, a motorised caravan incorporating Mercedes components, designed for Wilk, the West German caravan concern; and right, the high quality pushchair with a sophisticated folding mechanism developed for Cindico which is sold throughout Europe and made under licence in Japan.

the biggest consultancy of its kind in Europe. Karen maintains: "I felt we should be in the brains, not the brawn business, that is design rather than models. Model making needs expensive equipment and the people are highly paid, but we cannot charge the same hourly rate for their efforts as we can for designers." That was not to be, however. "We offer such a broad range of facilities—not many people can make large models like we can—and they are all on the one premises. Security is good and there is not much opportunity for industrial espionage." So the business has grown with demand.

The Ogle management team includes Sam Alper, also chairman of Caravans International, a long-time client, as chairman, and Carl Olsen, an American who became design director in 1977 when Karen, finally had to admit that he could no longer attempt to deal with all the clients all the time.

He still keeps in touch with some products and clients and retains the right of veto on proposals. But he sees his job mainly as "keeping my people productive a high proportion of their time. My tightrope-walk-

ing act is to keep the work flow reaching the right designer at the right time. We cannot afford to have highly paid people hanging around."

Karen himself is more interested in the concept stage of any new design exercise and prefers to "let others get on with the nuts and bolts." He also prefers to be involved in designing consumer products which create a spontaneous reaction from anyone who sees them—"when you see the product you have got to like it."

Ogle has designed toys for Meccano and Kidicraft, a pushchair for Cindico, worked for Bush radios and has a long association with Electrolux, the domestic electrical equipment manufacturer.

Karen himself initiated Ogle's work with crash test dummies after he became aware that the major car makers were all using their own dummies, all of different design. Working with the Motor Industry Research Association and the Road Transport Laboratory, Ogle came up with a dummy with a weight distribution claimed to be precisely that of the human anatomy. Ogle produces them itself—in very small numbers, of course—and they are being sold

to West Germany, Japan, France and the USSR as well as to UK manufacturers.

Karen envies those designers who appear to push their ideas right the way through to the end product without any apparent interference on the way. "There are some designers who say 'This is my design—it has my signature on it. Don't alter it.' We at Ogle are commercially realistic and say: 'This is your product; how can we change it in an evolutionary way?'"

He points to the work done for Plaxton coaches. "They are still recognisable as Plaxton coaches, but they are different and better now."

The Ogle team can work to a very tight brief, where all the major elements in the product package have already been fixed, or work from a blank sheet of paper and take a concept right through to completion. There is also the in-house ability to produce full-scale models, even for such things as truck cabs. (It was this ability to produce large-scale models, which brought Ogle a contract to make one of the space craft seen briefly in the film "Star Wars".)

Karen's belief is that design is no good unless it sells. But he gets most satisfaction when he has the chance to do something completely different. Two examples in the past were provided by the Reliant Motor

Company, a small and therefore more flexibly minded organisation.

It has been said that there have been only three significant new design ideas from the UK car industry since the war—the Mini, the Reliant Scimitar and the Bond Bug. And Karen, an aircraft engineer who gained car experience with Ford, was associated with both the Scimitar and the Bug.

Working on concepts to include certain major components and to take account of Reliant's capability with finance and tooling, Karen designed the Scimitar which combined a sports car and estate car in one vehicle. This caused enormous controversy when it was launched in 1968.

The Bug, made by Reliant's offshoot, Bond, gave Karen the chance to provide a revolutionary three-wheeler and completely change the image of that type of transport. Based on the chassis and other parts from the more orthodox Robin, the Bug had a one-piece, plastic, aircraft-style hood to enclose the driver and passenger.

Unfortunately, Reliant was never able to produce them in enough volume to make the Bug, launched in 1970, pay its way.

For the future, Karen believes the growing use of electronics in the passenger car and truck will give designers plenty of scope for reorganising the interior of vehicles. "People want more information inside the car. They want to be warned when something goes wrong, but only when something goes wrong. They don't need rows and rows of dials which they can't—or shouldn't—look at when they are doing any kind of speed at all." (In the past Ogle has produced a system whereby the red warning lights in a car were reflected in the windscreen to alert the driver.)

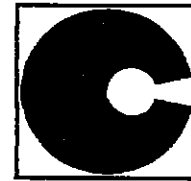
Beyond that, Karen believes the rear of the vehicle, at present just unused space, might also be used to pass on messages to following traffic. As well as obvious messages such as "I'm turning right" or "I will be stopping soon" there is no reason why the facility should not be used for cryptic comments like "You are driving too close" or "Road Hog."

Unlocking the secret of success in electronics

Jason Crisp examines Chubb's strategy for the Eighties

ANYONE WHO has been kept awake half the night by a burglar alarm set off by the wind will be pleased to learn of one advent of the age of microelectronics: and that is the alarm which can detect patterns of disturbance and so differentiate between say, a gust of wind and an intruder.

While the fashionable microchip may be enjoying considerable publicity at the moment, its actual impact on British companies has been less than dramatic so far.



Chubb, the specialist security equipment maker is one of the few that has been adopting the new microelectronics with alacrity and enthusiasm. It has gone much further than a mere piecemeal introduction of microelectronics into certain products; the whole company has developed an orientation towards electronics, second only to that towards security.

This can be seen in a number of ways, from the setting up of an electronics research and development centre, to the appointment as a non-executive director of Sir Iwan Maddock, formerly chief scientist at the Department of Industry and now Secretary of the British Association for the Advancement of Science.

Chubb comprises a number of companies grouped into three main product areas. The largest, accounting for very nearly half Chubb's sales is "physical security," which makes the locks and safes for which the company is perhaps best known. It is Chubb's foundation and is the most profitable part of the business.

The second is the fast growing "fire security." The third and smallest is "electronics"—established as such two years ago—with fractionally over 20 per cent of sales.

Yet within the next five to

ten years says Bill Randall, Chubb's managing director, the three activities should be of approximately equal size.

The main thrust in Chubb is therefore towards the rapid development of the electronics side. Although in the short term last year's £14m rights issue was made to reduce short-term loans and increase cash balances, in the long term it will be used principally for electronic developments, says Chubb's chairman Lord Hayter.

Although the company is displaying considerable enthusiasm for the development of microelectronics in security, that particular area has not been showing a profit—last year it lost £208,000 on sales of £36m—largely because of the high development costs incurred being written off.

Randall says that next year's accounts will transfer development costs to the group, presumably allowing the electronics division to show a profit, thereby bolstering the employees' morale and reassuring the shareholders.

Chubb's first entry into electronics was in the mid-sixties when it began to develop electronic cash dispensers; it claims to have been the first in the world to do so. Now electronics are used in burglar alarms and surveillance systems—such as microwave radar, infra-red detectors and ultrasonic sound—as well as cash registers and coin counters.

It was because Chubb consists of a number of companies, all of which are developing new products independently, and many of which also introduce electronics, that the company decided to set up a central research and development organisation.

According to Randall this is not intended to take product development away from the subsidiaries, but to provide technical advice, especially on electronics. It was felt that it was only practical to establish the expertise centrally rather than in each subsidiary because of the very tight market for electronics specialists. Although the centre is intended primarily to provide technical assistance to the subsidiaries, it will also

do its own product development "so we can get people at the centre to come up with ideas," says Randall.

The new centre, set up at St Albans has its own budget of £1m a year—about 2 per cent of electronics turnover—which is over and above expenditure on product development in the subsidiaries.

Randall says that there is a future market for "total security" systems in banks, nuclear installations and other sensitive areas. These are near-Orwellian systems of monitoring and surveillance of all security functions, including fire and intrusion. The dream is to devise comprehensive and intelligent security systems that can differentiate between incidents. It can decide how serious something is, take the appropriate action and keep a record of it, whether that is to turn on all the sprinklers, summon the police or just ignore a rodent.



In the nearer future Chubb is looking for an increase in sales of its recently launched electronic cash registers, an improved product of Gross cash registers, a company which Chubb bought in 1977. It also has hopes for its electronic cash dispenser, which it hopes will catch on with British banks in the same way as such devices have in the U.S. British banks have not only been moving cautiously over cash dispensers, they have not been installing Chubb's. Of the "on-line" dispensers which can do several operations, Chubb only has one which is on trial with an English bank.

Chubb has a long way to go before its investment in electronics is likely to show any substantial returns, but it has been quicker than many British companies to see that it is a road which it must travel.

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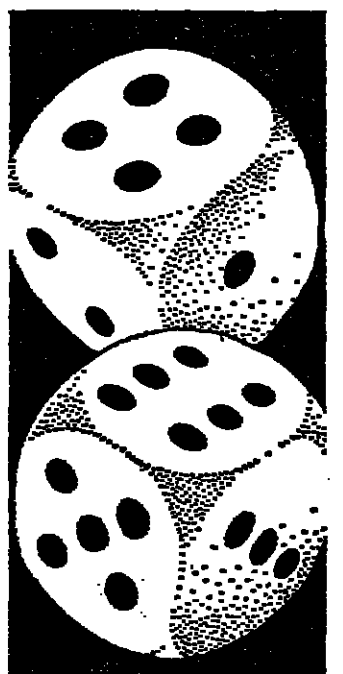


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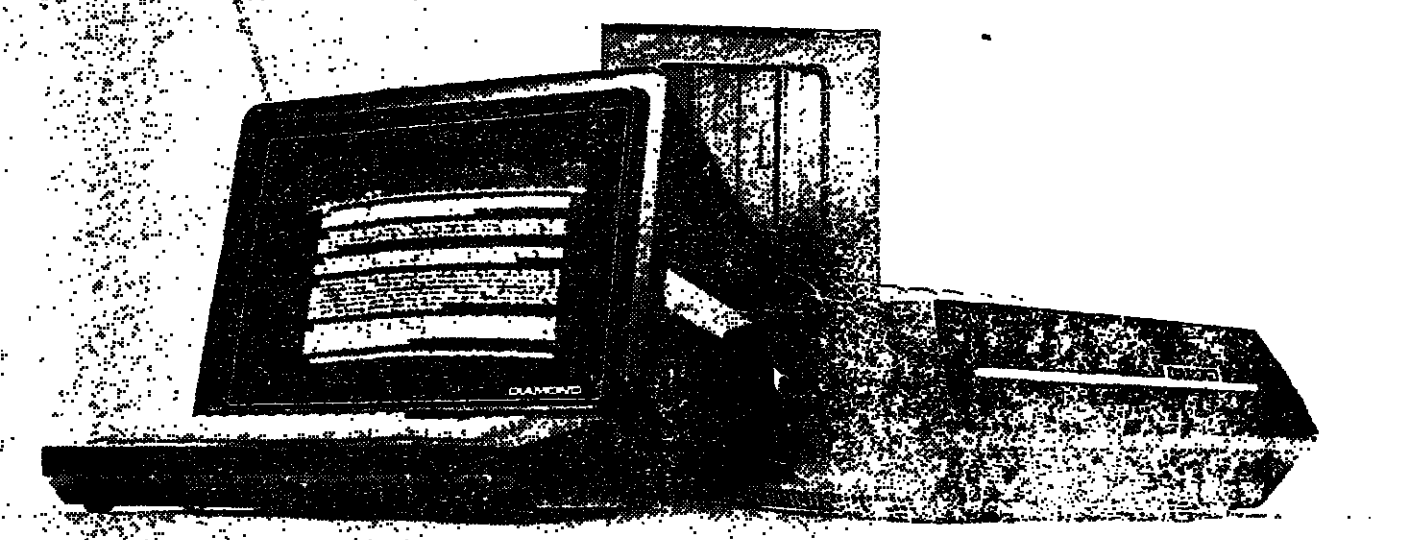
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THE JOBS COLUMN

Of record importance

BY MICHAEL DIXON

THE JOB-FINDING records of different kinds of graduates are now under investigation by the Government. The study is apparently connected with impending decisions about the supply of higher education when the UK's student-age population starts to fall sharply seven or eight years hence.

Even before that—to quote the University Vice-Chancellors' Sir Alec Morrison—some institutions may have to close unless they can continue to attract overseas students at fees scheduled to increase by about 150 per cent from next year. And the evidence is that overseas students are considerably more concerned than their British counterparts to take courses which will lead them to good jobs.

So I doubt that professors and lecturers will be quite so swift as in previous years to dismiss the accompanying table, which indicates how the 44 universities fared in the UK employment market of 1978, as "utterly irrelevant to the function of an academic institution."

In the circumstances it is more important than ever that readers should recognise the limitations of the table, which deals with people who gained bachelor-level degrees last year and is drawn from statistics published this month by the

Universities' Statistical Record (PO Box 40, Cheltenham GL50 1JY; £6.95).

The first problem is represented by the middle pair of columns showing the percentage of each institution's total bachelor-level output who had disappeared beyond the university careers service's ken by December 31, some six months after receiving their degree.

There is no standard criterion for determining the "unknowns." Some universities include in this classification all graduates who have not personally reported what they are doing. Others include only those on whose whereabouts there is no information from any source. Thus the percentages vary considerably.

But, while some of my best friends work at Cambridge University, I feel that it must have been careless to mislay more than a quarter of its bachelor's graduates—a proportion nearly three times the national average and over four times greater than Oxford's figure. Socks, light blue, need pulling up.

Although there seems to be a slight tendency for unemployment to be higher among the unknowns than among those who have been traced, most of the enigmas will obviously have gone into jobs, training, or the like. So in drawing up the ranking I have assumed that in

each case, a university's unknowns behaved in the same way as did its traceable graduates.

The ranking is determined by the final unbracketed column of figures in the table. This column represents the percentages of graduates who were either not available for employment (as distinct from already employed while studying), or believed to be jobless at December 31, or only temporarily employed in the UK.

Here arises another problem. Not all the people in temporary work will be "drifters." Some will have taken a stop-gap job with a particular purpose in mind.

Even so, the table is the best available account of the 44 institutions' performances in the employment market, which I feel must in turn reflect the support that each university's academic staff give to its careers service.

"At best temporary work" figures of 20 per cent or more such as appear at the foot of the table seem to me a dangerous indulgence when the job-finding record is, for worse or better, not just relevant but also possibly critical to a university's success—and especially so for Sussex and East Anglia who have languished in the bottom half dozen since the first of my annual rankings was produced in 1971.

University	Total new graduates		% whereabouts unknown at December 31		% not employed or in temporary UK work at December 31	
	1978	(1977)	1978	(1977)	1978	(1977)
1 Brunel	420	(369)	4.0	(4.6)	3.7	(4.8)
2 Aston	1,000	(948)	11.7	(10.2)	3.7	(5.9)
3 City	524	(468)	12.2	(5.1)	5.0	(10.1)
4 Salford	938	(926)	11.2	(11.2)	5.3	(8.9)
5 Surrey	596	(546)	7.2	(9.2)	7.1	(7.5)
6 Birmingham	1,898	(1,843)	11.5	(14.3)	7.4	(10.0)
7 Loughborough	1,184	(811)	4.2	(3.5)	7.6	(6.5)
8 Newcastle	1,597	(1,201)	11.4	(9.2)	7.6	(13.1)
9 Cambridge	2,566	(2,635)	25.7	(22.4)	7.9	(10.0)
10 Heriot Watt	586	(539)	5.0	(4.5)	8.1	(13.0)
11 Bath	824	(744)	5.8	(6.1)	8.5	(6.8)
12 Belfast	1,238	(1,174)	4.8	(6.5)	8.7	(9.7)
13 Oxford	2,687	(2,543)	6.2	(10.6)	8.8	(8.0)
14 Dundee	530	(546)	11.9	(3.5)	8.8	(9.7)
15 Liverpool	1,776	(1,506)	14.5	(8.1)	8.9	(9.2)
16 Glasgow	2,044	(2,033)	2.7	(2.1)	9.7	(11.4)
17 Southampton	1,366	(1,294)	9.4	(7.1)	9.7	(10.9)
18 Sheffield	1,721	(1,632)	12.3	(10.2)	10.1	(7.5)
19 Aberdeen	1,117	(895)	9.8	(13.9)	10.9	(9.8)
20 Bradford	956	(802)	3.9	(3.1)	10.9	(14.4)
21 London	7,673	(8,376)	8.3	(6.9)	11.1	(9.6)
22 Strathclyde	1,220	(1,220)	6.0	(3.1)	11.2	(12.8)
23 Exeter	1,154	(935)	12.7	(12.1)	11.4	(12.7)
24 Leeds	2,286	(2,025)	8.3	(12.1)	11.6	(11.5)
25 Manchester	3,263	(3,039)	4.2	(3.1)	11.9	(14.1)
26 Hull	1,158	(1,067)	6.0	(4.7)	12.6	(13.2)
27 Nottingham	1,457	(1,483)	9.0	(11.6)	12.6	(13.2)
28 Durham	1,595	(1,583)	11.8	(9.5)	12.6	(12.8)
29 Warwick	1,151	(1,078)	4.0	(4.5)	12.8	(11.7)
30 Wales	4,170	(4,028)	8.0	(10.9)	14.0	(15.1)
31 Edinburgh	1,821	(1,720)	9.7	(8.4)	14.0	(14.6)
32 Keele	471	(489)	6.6	(4.5)	14.3	(22.3)
33 Leicester	970	(886)	13.6	(10.9)	14.4	(16.7)
34 Warwick	1,208	(985)	10.3	(16.5)	14.8	(19.1)
35 Reading	1,196	(1,139)	7.9	(9.4)	14.8	(13.1)
36 St Andrews	618	(527)	12.9	(13.7)	16.4	(13.1)
37 York	732	(677)	8.3	(5.8)	16.5	(16.5)
38 Lancaster	1,017	(777)	17.0	(20.9)	19.4	(23.3)
39 Essex	623	(478)	7.4	(10.5)	19.4	(17.8)
40 Kent	883	(674)	19.9	(20.6)	19.6	(18.9)
41 Sussex	985	(941)	11.4	(10.1)	22.2	(18.3)
42 Stirling	436	(428)	6.0	(5.9)	22.2	(21.0)
43 Colchester	405	(347)	11.4	(11.0)	26.2	(17.2)
44 East Anglia	924	(871)	12.9	(15.5)	30.4	(27.4)
TOTAL	43,056	(40,066)	9.5	(9.4)	11.6	(12.7)

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Leading Assurance Company requires a highly motivated Analyst with three years' experience. Ideally, candidates will possess either a University or professional qualification.

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The Luton office of our International firm of Chartered Accountants handles interesting and challenging work in its specialist trust department.

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Applications, giving details of previous experience should be submitted, in confidence, to J.E. Watkins.

Ernst & Whinney Chartered Accountants, Fairview House, 65, Park Street, Luton, LU1 3JX.

THE URANIUM INSTITUTE

The industrial association and forum of the international nuclear fuel industry, with offices in Central London, requires a RESEARCH OFFICER SENIOR RESEARCH OFFICER

to conduct market (supply and demand), economic and policy studies related to uranium and nuclear fuel.

The prime requirements are breadth, self-motivation, good drafting ability, an analytical mind, and ability to work as part of a small high-quality team. Preference will be given to candidates with a background of relevant technology (uranium mining, geology, or nuclear power), or advantage. Frequent travel, world-wide, is part of the job. The high standard sought will be reflected in a fully competitive salary (negotiable), 4 weeks' annual holidays. Pension scheme.

Apply immediately, enclosing personal history, to:

Terence Price, The Uranium Institute, 8th Floor, New Zealand House, Haymarket, London SW1Y 4TE, UK.

UNIVERSITY OF ESSEX LECTURESHIP IN ACCOUNTANCY

in the Department of Economics

Applications are invited for the above post tenable from 1st October, 1980. This is a new post established in conjunction with the introduction of a new degree scheme in Accountancy, Finance and Economics. The salary will be in the range £4,300-£9,000 per annum.

Applications (nine copies), including a curriculum vitae and the names and addresses of two referees, should reach the Registrar (AG/84/71), University of Essex, Wivenhoe Park, Colchester CO4 3SQ, from whom further particulars may be obtained, by 13th November, 1979.

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Use your business expertise on tax investigation projects

£7350-£8900

This work, which is not limited to taxation specialists, offers more opportunity for independent thinking and action than most accounting roles in the public sector. Although you will sometimes be essentially an adviser operating in close liaison with Tax Inspectors throughout your region, you will in some cases have total personal responsibility for the initiation, planning, and execution of assignments.

Most investigations are based on the thorough scrutiny of company books, documents and records, and frequently call for a considerable degree of perceptiveness in detecting facts — or omissions — which will prove a case. Such work represents a continuing intellectual challenge, in which diplomacy and determination play as important a part as professional skills and knowledge. It will appeal to accountants with wide

interests in business finance, who have gained comprehensive experience in professional practice since qualifying.

There are vacancies in Bristol, Edinburgh, Liverpool and Nottingham.

Applicants (aged at least 27) must be professionally qualified or be eligible for admission.

Salary (from 1.1.80) £7350-£8900. Starting salary may be above minimum. Promotion prospects to £1750 and above. Non-contributory pension scheme.

For full details and an application form (to be returned by 2 November 1979) write to Civil Service Commission, Alencon Link, Basingstoke, Hants, RG21 1JB, or telephone Basingstoke (0256) 68551 (answering service operates outside office hours). Please quote G/3/5907.

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Financial Accountant

25/50

£9,000

A leading British company with a world-wide reputation for high quality products seeks a qualified accountant at its head office in Central London. Turnover should soon exceed £40M and future plans include growth by acquisition.

The man or woman will be responsible to the Financial Controller for up to eight accounting staff involved in all aspects of financial control using modern information systems. A key aspect is the prompt preparation of periodic accounts as well as routine accounting matters.

This appointment would suit chartered or certified accountants aged 25-50 who have had sound experience in the profession, commerce or industry at assistant manager level or

above. The ability to manage and motivate staff is more important than age.

Salary is negotiable up to £9,000 p.a. Benefits include contributory pension and life assurance schemes, free lunches, season ticket loans and a generous staff discount scheme. Removal expenses can be paid, and applicants who live outside London are encouraged to apply.

Applicants should apply, giving salient career details, quoting reference 201 on the envelope which will be forwarded direct and unopened to our client who will arrange a reply within seven days of receipt. Please list in a separate covering letter to Mrs. C.F. Martyn any companies to whom your application should not be sent.

Roland Orr
Management Consultant

35 Piccadilly, London W1V 9PB. Telephone: 01-734 7282.

Career Opportunity for Young Group Accountant

If you are full or part qualified ACCA or ACA, and aged 25-35, this is an opportunity for you to gain varied experience as you build a career with Britain's most successful film processing company.

Acting as deputy to the Group Chief Accountant, you will supervise the day to day running of our Financial Services Department, dealing with the companies that carry out processing and developing for the Tudor Group. You will handle a wide range of financial and management accounting work, including production and project costing, and account administration for two laboratories. Your contacts will frequently be at board level, and it is vital that you have a full grasp of communications and man management.

An attractive starting salary and range of benefits, matched by exciting future prospects including early promotion for the right person.

In the first instance please write to: **Lloyd Williams**



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Herts. c. £9,000
An opportunity to enhance your systems experience with the leading consumer products company. Real career prospects exist for a young qualified accountant with post-qualification experience whose main involvement will be in developing the use of new computer-based systems. Other major areas of responsibility will include the management of cash forecasts, tax computations and statutory accounts.

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Whether you are looking for a long term career in tax or prefer to develop ultimately into other areas of financial management, this is a first-class opportunity to accelerate your progress. The appointment will be based at the European headquarters, of a major U.S. concern. As a member of a highly qualified and experienced taxation department you may anticipate a rapid learning curve.

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A fine opportunity for a young qualified accountant to make a breakthrough in a senior role. You would be joining a major U.S. concern consisting of the Marketing Director, Finance Director and Management Director. The company is a leading supplier of an international diverse processing and trading operation. Promotion into a senior management function is envisaged after six months.

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As a result of a promotion, a newly qualified ACA is sought for a position which involves fast moving consumer products. Accountants will be extremely broad-ranging and will manage a lot of non-routine projects. European travel can be anticipated and some foreign language ability will be helpful. The experience that will be gained will greatly enhance your career within a dynamic professional environment.

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A newly created role as inter-departmental financial and management co-ordinator. An accountant with the ability to handle a wide range of accounts at all levels is required for the post. You would be reporting to the Finance Director for specific trouble-shooting projects in the finance and banking areas. Promotion to a line management role is foreseen after one year.

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North West London under 30 Salary £8,000

Our client wishes to make an early appointment. Applicants should therefore make initial contact by phone as soon as possible quoting DR.

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GENERAL APPOINTMENTS

Management Accountant

Unser Auftraggeber ist eine Europäische Chemiegroupe mit Tochtergesellschaften in UK, Spanien und Deutschland, wo sich auch der Hauptsitz der Gesellschaft befindet. Die Firma ist Hersteller von Chemischen Zwischenprodukten für die Kosmetik, Waschmittel und Chemisch-Technische Industrie. Sie wurde vor kurzem von einem Amerikanischen Chemieunternehmen übernommen, das die Firmengruppe in Europa, insbesondere auch in England, weiter ausbauen will. In diesem Zusammenhang wird für die Berichterstattung im Finanz und Rechnungswesen ein junger Bilanzbuchhalter gesucht, der nach Möglichkeit Industrierfahrung und auch Erfahrung im Management Accounting hat. Er koordiniert das Monatsberichtswesen der einzelnen Gesellschaften, konsolidiert und berichtet nach US-Accounting Principles. Bilanzsicherheit ist erforderlich sowie fließende Englische und Deutsche Sprachkenntnisse. Interessierten bewerben, die Bereit sind, sich in Landschaftlich reizvollem Ort etwa 60 km Ostlich von Frankfurt anzusiedeln, werden interessierte Entwicklungsmöglichkeiten geboten.

Richten sie Ihre Bewerbung oder rufen sie Gerald Brown (an reference 6453).

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Group Financial Accountant

c. £12,000 + car City
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He/she will be a Chartered Accountant, aged around 30, preferably a graduate with experience both in a leading firm of accountants and a major multi-national organisation. An appreciation of international taxation and foreign exchange matters and the ability to participate in the development of corporate plans are essential requirements.

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Applications in confidence to B. G. Linton (Ref. 6435).

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COMPANY SECRETARY
Age up to 40, required for company engaged in sales and worldwide distribution of raw material produced by overseas parent company. To be responsible for final accounts and usual secretarial duties. Modern offices in E. London; pension/life assurance schemes; holiday commitments honoured. Write in confidence with full details to Box 4884, Financial Times, 10 Cannon Street, EC4A 4BY

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Norwegian or Swedish speaking Financial Analyst, c. £5,000 + excellent perks, required by leading international bank. U.S. banking background preferable. Aged 20+. Ring for appointment: 283 8022/8023

INSURANCE AUDITORS

Our client, a City-based firm of Chartered Accountants, wishes to recruit two people to join a specialist insurance audit group.

For the first vacancy, prospective applicants should have experience of accounting with Lloyd's Underwriters and for the second, an accounting background with an insurance company or brokers. In both cases, a recognised accountancy qualification would be an advantage.

The salary levels will depend on age and experience and there will be a range of benefits including a non-contributory pension scheme.

For further details please contact Robert Digby, DUNLOP & BADENOCH (Agy) 37 Eastcheap, EC3 01-423 3544 Ref: F/T 023



National Bank of Fiji

Are you recently retired or about to be, in your late 50s, and available this year. We are seeking branch bankers to take up responsible appointments in the Fiji Islands. Applicants must be self starters, active, have extensive management experience, and be able to communicate at all levels in a multicultural society. Remuneration circa F£25,000. Fringe benefits. Two year contract. Interviews will be held in London.

Apply with curriculum vitae to: THE CHIEF MANAGER, P.O. BOX 1166, SUVA, FIJI ISLANDS.

AMERICAN OIL GROUP ACCOUNTANT PT. QUAL.

Due to promotion our client, a Major American Exploration and Petroleum Company, requires an ambitious part-qualified account. Working in the Internal Financial Control Dept., the candidate will assume responsibility for five staff in the control of exploration and development projects. Applicants should have an excellent educational background and the desire for head management responsibilities. Age 23+. Salary circa £8,000.

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The Fund is the largest pension fund in the United Kingdom with long-term fixed interest assets valued at approximately £500 million. A successful candidate would assist with the management of the gilt-edged portfolio and be responsible for all other long-term fixed interest investment, both quoted and unquoted. Salary would be negotiable subject to experience.

Applications with a curriculum vitae should be submitted to: S. J. R. Rumsey, Esq., Investment Manager (Gilts and Fixed Interest), Post Office Staff Superannuation Fund, Equitable House, 47-51 King William Street, London EC4R 9DD

THE NATIONAL UNION OF JOURNALISTS
requires a qualified accountant to join its recently expanded Finance Department. The post would be London-based. The successful applicant will probably not be younger than 35 years and will have a mastery of all financial matters in order to service and advise the Union's Finance and Resources Committee and National Executive Council. He/she will be responsible for preparation of final accounts for auditing and will be capable of preparing regular statistical material for budgeting, forecasting and controlling work as well as for financial controls. Salary: £7,800. Applications to: The General Secretary, National Union of Journalists, 31C-32D, Gray's Inn Road, London WC1X 8EP.

Assistant Accountant Enfield, Middlesex £6,000+

Hartley Cooper, long-established Lloyd's brokers, require an Assistant Accountant to supervise the day-to-day affairs of their busy Financial and Management Accounting section, which is an increasingly important area of the company.

Reporting to the Management Accountant, you will be responsible for preparing management information and maintaining cash books and private ledgers. Other responsibilities will include cost analysis, expenses control, VAT, and Income reports.

You will probably have worked in an insurance broking accounts department, and be looking for an opportunity to build a career in a substantial organisation. You may be in the process of completing a formal accountancy qualification, or will have considerable accounting experience.

An attractive salary and fringe benefits (including possible assistance with relocation) will be offered to the right candidate.

Please write with full details of your career to date, or telephone: C. E. R. Ledsam Assistant Secretary Hartley Cooper Group Services Limited PO Box 29 Hartley House Eaton Road, Enfield, EN1 1NZ. 01-366 6551 ext. 253

HARTLEY COOPER

RECENTLY QUALIFIED Birmingham area c. £6,500

The Head Office of a major public company located in the West Midlands and with factories operating throughout England and overseas, requires a Financial Accountant. The position is best suited to a recently-qualified Chartered Accountant who is looking for his/her first commercial position.

The successful applicant will gain valuable experience in all aspects of financial accounting including the preparation of consolidated accounts, taxation and exposure to the practical application of accounting standards.

Opportunities for promotion within the Group are excellent. The competitive salary is around £6,500 (negotiable) and general working conditions are first class.

Please reply to: Box No. 56, c/o St. James's Advertising Co. Ltd., The Rotunda, New Street, Birmingham B2 4PA

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A major organisation within the London Market requires an accountant to be responsible for the accounting function of its Reinsurance Department. This includes credit control, quarterly accounts to Head Office, Management Reporting, etc.

This position offers excellent prospects to a qualified accountant with at least four years financial and management accounting experience. There will be considerable involvement in the development of advanced computer applications.

The position is open to male and female applicants who should send adequate details and daytime telephone number in confidence to:—

Mrs. G. Tomp
2nd Floor
Chesterton House,
26/28 Fenchurch Street,
London EC3M 3DH

PART-TIME FIELD OFFICER

(£2,000 plus expenses for a two-day week)
The Cancer Research Campaign requires a Part-time Field Officer for Kent and East Sussex to solicit donations from industrial firms in that area. This scheme, considered suitable for a recently retired and active executive, is being set up initially for one year from December 1979.

The successful applicant will work from home or from our Sevenoaks office and will have an understanding of management attitudes towards charities and a style of approach that gets results. Own car and current licence are essential. A mileage allowance will be paid.

For further particulars apply to: The Administrative Officer, CANCER RESEARCH CAMPAIGN, 2, Cannon House Terrace, London SW1V 5AB. Tel. 01-230 8972. Closing date for applications is first post, Friday, 9th November.

LOMBARD

Escaping from the dollar overhang

BY NICHOLAS COLCHESTER

THE SUBSTITUTION account, whose development was given the go ahead at the annual meeting of the IMF...

Reserve asset

The idea of the Substitution Account is to divert a proportion of the dollars held and invested by central banks into a new account at the IMF...

As first sight the Substitution Account would appear to be something of a magic box. Central banks put in a currency they do not trust...

The nature of the final scheme has yet to be hammered out but it would appear inevitable that either the U.S. or the 16 countries whose currencies are represented in the SDR...

tion account idea is that part of the cost is borne by the subscribers themselves. The depositing central bank substitutes value for liquidity...

The trouble is that to do much good for the dollar the substitution account needs to be acceptable to central banks outside the Group of Ten.

The upshot is that in a world where so much balance of payments financing is taking place on commercial terms...

Commercial

The essence of the substitution account is that it is a world where so much balance of payments financing is taking place on commercial terms...

BORDEAUX vintages seem to be running late just now, with 1978 the last year in which picking began in September.

What was very clear even at the beginning was that the quantity of grapes, both black and white, was very large...

Sugar aid

Early samples of the red wine taken from the fermentation vats showed very good colour. There is some suggestion that after a rather cool August...

As everywhere in France this year, the need has been for a large crop to replenish stocks.

and in the Gironde, as elsewhere, the prayer has been answered. The red wine harvest could be as large as the record 73 and 78, or even bigger...

Nevertheless, whatever the eventual rating of the '79 clarets, it is quite certain that they will be saleable...

Yet, however drinkable, wines have to be sold, and here the questions of demand and price arise sharply regarding this latest vintage.

It is one thing, however, for the growers to sell to the merchants, and the latter to dispose of their purchases to their trade.

customers, but quite another for the consumers, inside France and in the vital half-dozen or so foreign markets...

WINE

BY EDMUND PENNING-ROWSELL

clarets. One firm tells me that they have sold over 5,000 cases, from petits chateaux all the way up to premier crus.

Much, therefore, will hinge on the opening prices. At the Bordeaux Rouge level, which we here in Britain are likely to see in due course...

ready to buy, though only if they see prospects of early resale of part of their purchases.

WINE

BY EDMUND PENNING-ROWSELL

at the grower/merchant stages, they were expensive: something like 50-60 per cent higher than the '77s rather than the 2 per cent predicted.

Yet the merchants are short of stock. One leading chateau wine purchaser told me that he had only one year's supply in his cellars and would like at least two years.

Four good chances for Lester

LESTER PIGGOTT will be at Sandown this afternoon when he rides two horses for his brother-in-law, Robert Armstrong...

may be up to winning this comparatively modest event. Considering that the Wreake Stakes at Leicester carries only £1,200 added money...

RACING

BY DARE WIGAN

Newmarket meetings, and who is favourably weighted with 8 at 4 lbs in the Rookery Handicap, even allowing for the fact that Piggott will be putting up 1 lb or 2 lbs overweight.

ENTERTAINMENT GUIDE

OPERA & BALLET. COLISEUM. Credit Cards 240 5238. ENGLAND'S GREAT MUSICALS. TONY AND JULIA. The Marriage of Figaro...

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ADRIAN PHOENIX. 01-336 7611. A SUMPTUOUS NEW PRODUCTION OF 'THE FAIR LADY'...

EUROBONDS

The Association of International Bond Dealers. Quotations and Yields appears monthly in the Financial Times.

It will be published in an eight-page format on the following dates in the remainder of 1979:

- 1979
November 12
December 10
1980
January 14
February 11
March 10
April 14
May 12
June 11

There is a limited amount of advertising space available each month; if your company is interested in taking advantage of this offer please contact:

The Financial Advertisement Department on 01-248 8000 Ext. 424 or 389

Radio. Indicates programme in black and white. BBC 1. 9.35 am For Schools, Colleges. 12.45 pm News. 1.30 Pebble Mill. 2.00 pm News. 2.14 For Schools. 2.33 Regional News for England (except London). 3.55 Play School. 4.20 Secret Squirtle. 4.45 Jackanory. 4.40 Entour Filles and Dinky Dog. 5.00 John Craven's Newsworld. 5.10 Stop-watch. 5.40 News. 5.55 Nationwide (London and South-East only).

F.T. CROSSWORD PUZZLE No. 4,106. 1 Across: Ill-will created when mother gets parasites (6). 2 Across: Part of racing-car engine designed for great finish (3, 3). 3 Across: Acrobatic movement seen in the farmyard (9). 4 Across: I'm taking time for reflection (5). 5 Across: Tenant's legal right in France is finished (7). 6 Across: Syrian capitalist gets mother a part of the act (9). 7 Across: Chilly body found in nurseries (4-5). 8 Across: Welcome weight dropping during shower (9). 9 Across: Vessel to copy in stage production (9). 10 Across: Article in a mountain is sweet (7). 11 Across: It turns up and down (5). 12 Across: Weather signals hoisted and falling from trees (5). 13 Across: Duck leaves the region when the river rises (5). 14 Across: Solution to Puzzle No. 4,105.

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Théâtre de la Ville

Merce Cunningham

by CLEMENT CRISP

There are three different manifestations of the work of Merce Cunningham as part of the splendid Paris Autumn Festival: an exhibition, until November 12, at the Centre Pompidou (the Beaubourg) devised by David Vaughan, which traces something of Cunningham's career and his collaborations: a series of Events—free-form spectacles in the Forum of the Beaubourg—which continue until October 29; and a week of more traditional performances at the Theatre de la Ville, just ended, by the Cunningham company.

The Beaubourg seems to be a most sympathetic setting for Cunningham's work. Like the building itself, Cunningham hides nothing. Part of his interest for us as creator and animator lies in the way he will on occasion show the inner tubing of his work, externalising mechanical features that many another creator would seek to disguise. His transparent choreographic manner is like the translucent shell of the Beaubourg; perhaps, in its faux-naïf delight in exposing its functionalism, the Beaubourg is Cunningham architecture.

At the Théâtre de la Ville where I saw the last of his three programmes, the rigorous and sometimes wilfulness of the Cunningham manner delighted the Paris audience. Dominating the programme was *Inlets*, made in 1977. It is a piece in which both the austerities and the poetic resonance of Cunningham's procedures create an atmosphere of unusual beauty. It is a nocturne, dance seen through mist and half-light, a secret, self-contained exercise that grips the imagination.

Morris Graves' décor is of minimalist simplicity: a frontal gaze across which we see the dancers as through a mist; a large reflecting disc which gradually traverses an anonymously back-drop. (It is one of

those works having a built-in clock: you know it will only end when the disc has completed its journey across the back of the stage.) Lighting is subdued. The cast of six are sometimes only half-seen as they explore the stage and the night-lit atmosphere of the piece. Mid-way a patch of moonlight falls upon Cunningham, who performs a flickering solo.

At the end, the hushed tone of the work seems rarely to have been disturbed, for all the energies expended by the cast. The accompaniment is the gentle sloshing of water in a large shell; its effects pace those devotees who assure us that music and dance with Cunningham never relate—are exactly those of the bursts of energy and subsequent relaxations of the dance itself. I thought it an entirely beguiling work.

Attractive, too, by its bone-deep procedures was the opening *Rune*, which is 20 years old but which makes most other ultra-modern choreography look dated. A stark stage space, six dancers, lines of physical energy, balances and contrasts of action, the careful delineation of areas of activity and calm—all these hallowed Cunningham characteristics are presented, and illuminated by the excellence of the cast, among whom Chris Komar (in Cunningham's created role) is very fine indeed. We wish he had stayed more or less still; and the mysterious accents and dissonances between them are far more like music than the tedious fiddliness of Christian Wolff's two-piano accompaniment.

Cunningham as a tease, a latter-day surrealist, a poet of bric-a-brac, and a man given to side-ways views of the how and why of theatrical dance, is the guiding force behind *Travelogue*, with its Rauschenberg design. Enter eight dancers on chairs placed on a

trolley, spinning bicycle wheels separating them. Brightly coloured leotards. An accompaniment by John Cage made up of Australian bird cries and telephone calls to Paris answering-services that offer details of foreign travel and meteorological reports. The gradual progress round the stage of the choreography. Pendant patch-work banners. Two male dancers holding a rope hung about with tins and scarves. One man performing a solo wearing a clattering collection of tins. A girl in a chiffon outfit which she partly discards. Cunningham suddenly caught up in an "afternoon of a faun" moment with her discarded garb.

We sense the unpredictability of travel, its wilder and more improbable moments; but there is also a good deal of archness to offset the sly humour of these random notes from a journey. The piece looks old-fashioned, and the clutter of design tricks and the clutter of the accompaniment detract from the choreography. The dancers are in this, as in everything else, very fine, with Komar, Robert Kovich, Lisa Fox and Karole Armitage, exceptional in their varied roles.

Cunningham's own presence demands careful consideration. His company offers dancing of strong, clear lines. The constraints of the years, inevitably apparent even in Cunningham's specially tailored choreography for himself, make for a disturbing contrast.

A technique so circumscribed in range of expression, and so idiosyncratic, looks unhappy amid the fuller dynamics and richer texture of the surrounding movement. In tiny, fragmented dances, Cunningham is still extraordinary; in the larger context of his dance-works, the interest of his performance style becomes sadly diminished.



'Girl with dog Mark II' by Henry Inlander

New Art Centre/Piccadilly Gallery

Henry Inlander and David Tindle

by WILLIAM PACKER

Two painters who together give the lie to the popular belief that figurative painting has lately undergone a revival, was every moribund, was never in any case particularly good, are at present showing their recent work at their London galleries. However, though both now enjoy a certain professional reputation, neither of them is as widely known as he deserves to be. Henry Inlander (in particular (New Art Centre until November 3) has worked on in comparative obscurity for far longer than the chances of fashion and prejudice having dished him somewhat after a fairly bright start some 20 or 30 years ago. His work certainly has got no worse, though perhaps his confidence suffered intermittently, which makes it all the more encouraging that these new paintings should be an evidently confident and ambitious.

His subjects are the landscape, the figure and the interior, the landscape sometimes pure and simple but more usually combined now with the other two elements, the distant mountain-side seen through the window, the human presence supplied by the shadowy nude woman who moves against the light, with her more active black dog.

Inevitably these works carry a powerful symbolic charge, the watching dog, the indifferent woman, the overbearing mountain beyond; but any story is unspoken, any detail our own affair. The surface is rich and dense, the paint applied light but with an insistent touch, a restrained expressionism. The colour is hot, the tone dark and feverish, the mood quietly threatening.

The strongest paintings are paradoxically the most ambiguous, those smaller works that have no figure and no dog to divert us into explanations, but are simply the views across to the bare mountain, the interior implied only by the window frame, the view by suggestion our very own.

David Tindle (Piccadilly Gallery until November 10) has not been so badly overlooked, and has in fact been doing rather well, and quite right too, in recent years. He, like Inlander, invests his work with a strongly suggestive symbolism, though his way of painting cannot supply a stronger contrast. He uses egg tempera or acrylic on gesso grounds, the

paint virtually dry at the touch, which forces him to adopt a meticulous and laborious method, building up his images stroke by tiny stroke. He, too, paints landscapes and interiors, and indeed charges them with a palpable human presence; but, save for the rare portrait, no figure actually appears. There is the chair by the open door, the hat on the window sill, the fruit on the shelf, only just put there perhaps, only that minute left empty.

But again these are not mere exercises in story-telling, and intrigued as we are by such imaginative possibilities, we should not leave off looking too soon. Tindle describes his private world with scrupulous care and great skill, convincing us of its independent reality. Making us believe is the great trick, aware that what we see is an artifice, a sleight of hand, an invention, but prepared to accept it all the same. The figurative artist may follow nature, but can never copy it. All he can do is contrive his own, which is such an extraordinary thing to do that it must come first to our attention, well before all stories, symbols or suggestions. Without that initial conviction or belief nothing else will work. Only because Tindle and Inlander are good painters are we free to see so much else in their work.

Pierpont Morgan Library

Rubens and Rembrandt

by ROY STRONG

There must be a certain degree of bliss attached to being director of the Pierpont Morgan Library. Like the Isabella Stewart Gardner Museum in Boston or the Frick Collection in New York, the Morgan Library has the twin virtues of domesticity of scale, aligned to choiceness of collection. Moreover, its director only has to walk within the radius of half a mile to return with untold donations running into hundreds of thousands of dollars. No amount of pounding the pavements of Thurlow Square or the Brompton Road by me would produce much above a tinkling trickle of 10p pieces into my hat for the V and A. And there's the rub, for this is the direction into which we are supposed to be going for any further growth in the arts in this country during the next decade. Perhaps by the mid Eighties, if we all survive, I shall hardly be able to get down the steps of the museum without being assailed by directors of British Leyland plastering me with cheques.

Which all leads up to saying that the exhibition Rubens and Rembrandt in their Century, Flemish and Dutch drawings of the 17th century from the Pierpont Morgan Library, at present adorns the galleries of the Department of Prints and Drawings in the British Museum until January 15, 1980. Hopefully by the time you decide to go the lift will actually be working but if not it is truly worth the flights of stairs. As usual it is a classic drawing display with no gimmicks, ideal for quiet contemplation. It is a peaceful, monochromatic show, undemanding in the best kind of way, a blissful hour of just looking. And there is no reason to look at everything, although of course you can, but the exhibition is best approached as a box of chocolates for poking around in search of one's favourite centres.

I have no doubt about my own prejudices. I admire the brilliant imagination of the scene of classical mythological or biblical grandeur, heroism or simple storytelling but I like most of all the scenes of actual life, the vision of the place and

its people during that century that followed the aftermath of the Revolt of the Netherlands during which the Dutch state enjoyed its so-called golden age of art and letters and the south flowered in the briefer remnant of Albert and Isabella, a civilisation ensconced at the close of the period by the wars of Louis XIV.

There is no doubt that the perpetual preoccupation with photography and daily life gives us a feeling of living in that period more vividly than by contrast the meagre visual sources are ever capable of evoking Stuart England. We only have to look at the two marvellous Adriaen van Ostade water colours to show us that. Outside the farmhouse the children sit and stand listening to a fiddler while one customer sits slumped, tankard in hand, on a bench; within we see the men playing at tric-trac or mulling ale at the hearth. Both are crammed with domestic detail from basket to bellarmine. In rougher form Ostade's 'The Family' is the same with its unmade bed, its cradle, the wife feeding her baby by the fire with mending-basket to hand. These broaden out in other drawings to embrace the flat landscape. Jan Lievens gives us a view of a Dutch farmhouse tucked behind fence and willows with its steeply pitched and tiled roof and its inevitable cows reclining in the foreground. There are the masterly identifiable views of the Buitenhof in The Hague or Enkhuizen or a house at Baerschoot. All these enable us to go for that most enjoyable of all walks one through the past.

But what of the *grands maîtres*? Don't miss Van Dyck's crisp view of Rye in 1633. It is a precious fragment recording a coastal port basking in the sunshine of Caroline England before the terrible Civil War with its church and houses, fortifications intermingled with so many trees as though the countryside around defied being supplanted by the town. And there's another drawing with a specifically English collection. Rubens's delineation of some of

the gems in his collection of antique cameos which he sold to Great Buckingham, a precious fragment telling us of the arrival of works of classical antiquity in this country, the impact of whose coming has yet to be studied in any depth.

Inevitably Rembrandt bears them all. There are 13 in all, but one above all, that of a woman hearing her child in her arms down a spiral staircase. Neither is beautiful but their relationship has encapsulated it all with his scarily angular pen and hurried washes. The woman's hair is untidy and she wears an old thick dress and the child is a heavy lump to lug around but the two faces, each other and everything is poignantly said. None of the others come up to this although there is a nice little glimpse of Saskia asleep and, more intriguing, two overweight Rabelaisian carnival characters in finest dress rolling along on horseback.

And here let me add that the collection is basically a British one come home again for a brief period. Of the 450 Dutch and Flemish drawings held by the Morgan Library, about 300 were purchased on loan in 1910 by Pierpont Morgan from Charles Fairfax Murray. This in turn takes us back to the calmer days of the auction sale of the 1850s and 1890s and the dispersal of the Palmerston, Aylesford and J. C. Robinson collections when a Rubens drawing could be picked up for £25 and a Van Dyck for six shillings. So the Morgan's holdings remained until the 1950s when the acquisition policy was reactivated, rounding out a collection which within European terms is small but in American ones is coherent and choice. If the exhibition does nothing else it highlights the staggering holdings of the British Museum's own department as anyone who, for example, went to the recent exhibition of Rubens drawings will realise. There is an excellent, beautifully produced and researched catalogue, the like of which no British museum will ever again be able to afford in the coming years—except, of course, with sponsorship!

St. John's, Smith Square

Apartment Building 1776

John Cage's contribution to the United States bi-centennial celebrations was a gentle homage to the 18th century roots of American music. *Apartment Building 1776* is a characteristic Cagean mélange of scraps—from early American anthems and congregational hymns, military marches and dance tunes—to be distributed among a variable number of singers and instrumentalists.

It formed the second half of the Saltarello Choir's Smith Square concert on Sunday evening.

According to Cage, it should sound "like an apartment building in 1776, had there been one." Melodies appear, only to vanish into unpredictable silences, harmonies thin out or are obscured, martial solos

erupt from the peripatetic wind players. Occasional tape playbacks of Red Indian singers remind one of the most authentic American music. In the Saltarello's performance, coordinated by Richard Bernas, *Apartment Building* comes over as one of the most likeable of Cage's collages. Here it was more vividly and wittily interpreted, memory suggests, than the first British performance given by the same forces last year.

The entire programme, indeed consisted of works that the Saltarello choir has either commissioned or introduced to Britain. Stockhausen's *Chorus Doris* wear their academicism too heavily for frequent hearing, although these three settings of Verlaine show quite

forcibly how much the student composer was then under the influence of Bartok. Robert Ashley's *She was a Visitor* is a straightforward expansion of a single spoken sentence into syllables and phonetic sounds, a poetic translation of electronic sound sources into vocal patterns. Graham Hearn's *Two Choruses* is also built out of the simplest vowel sounds of the two choirs vying for control of tonality and harmonic commonplaces.

Moments in Hearn's writing set technical problems not completely mastered but performed generally were excellent; a very pleasant evening from one of the most adventurous and imaginative of London's choirs.

ANDREW CLEMENTS

Festival Hall

Tennstedt's Mahler

by DOMINIC GILL

In the earlier stages last season of his Mahler cycle with the London Philharmonic Orchestra, and now on the first two records of that cycle to be released, Klaus Tennstedt has proved himself a Mahler conductor of first rank. The view is supremely cogent and sure-handed, never facile, outstandingly firm in its grip of the shifting tensions and colours of music—neither giving in too easily to its relentless, soul-baring rhetoric, nor by taming it too strictly, ever allowing its energy to flag.

He arrived on Sunday at the third symphony, whose opening invocation, fierce and grand, was prelude to a first movement that never for an instant lost its driving force—stirring to hear for once those wild triple-triplet bass and cello swirls attacked with really savage bows. The momentum was irresistible, generated not so much by a net of machine-rhythms, *Solti-cut*, as by an ebb

and flow of very flexible tempi, every gesture and rhythmic cell individually shaped.

In the minuet Tennstedt found, and held, fine balance between the delicate breath of wind in which (as Mahler described it) "everything floats" and the robust mid-summer breezes. A little trouble with the offstage posthorn's high A's in the scherzando was no more than a passing cloud. But the force of what might have been an impressively austere and sombre reading of "O Mensch!" was more seriously blunted by unease in the horn section—and by an unsettling tendency of the contralto Ortrun Wenkel to scoop up to notes that must, of all the notes in the symphony, be attacked perfectly straight and clean. The finale gathered together all such loose strands, articulated with marvellous clarity, and without a single schmaltzy sob—drawn to a huge climax, in a blaze of conviction.

Pollock in Paris

by BRIAN TAYLOR

Nietzsche once spoke of the "prison-house of language" and the "doubt which asks whether the limit we see is really a limit." The retrospective exhibition in Paris of works by Jackson Pollock raises doubts of a similar order, causing us to wonder whether or not this American hero of abstract expressionism did not in fact become a prisoner of his own painterly language.

The exhibition at the Musée d'art moderne de la Ville de Paris (until November 18) includes a number of canvases resulting from his now legendary drip-technique of action painting, as well as a number of early, smaller-scale works which aid in deciphering periods in the evolution of Pollock's very personal language and syntax. Sources of inspiration in the work of Picasso of the 1930s, of Masson the surrealist and of the Mexican mural-painter Siqueiros (for whom he worked at one time) are there to be seen, for the historically minded visitor. But it is not the origins which are most troubling, the most impermissible to analysis, rather it is the end point: the black enamel paintings on paper and canvas of the early 1950s.

In spite of all his unconventional, Pollock still was a painter who accepted such conventions as a utensil for painting (a stick rather than a brush in his case), a two-dimensional support (both unstretched as well as taut canvas) and even frequently adopted the age-old ploy of a painted frame around the pictorial space—as in Number 21, of 1951—in order to emphasise that very spatial apartness he was defining.

None of the very large, extremely colourful paintings for which Pollock is generally so well known figure among the 70 drawings and eight paintings of medium format shown here.

Without the opportunity to compare the former, which are often full of light, of vast areas of differing spatial density carefully built up, with the more personal traces of his art on view, we are thrown back to confronting questions related to the comprehensibility of Pollock's hauntingly hermetic language. Few of our conventional systems for reading signs help us to interpret the significance of the images before us, and yet we should not dismiss (as many do) the results as unstructured and meaningless. The interconnectedness, the syntax, of Pollock's imagery within a single painting or a series of paintings, leaves us doubtful, it is true, of the limits imposed by his language. It cannot just be written off to a poor choice of technique. We are ultimately left uncertain and uneasy as to where Pollock's language could have gone beyond these black onerous images, let alone its origins. Running simultaneously is a smaller show *Around Pollock*, of works by Jackson Pollock's contemporaries, at the Centre Culturel Américain, rue Dragon.

BBC-TV to premiere Lloyd Webber's new musical

Andrew Lloyd Webber, composer of the hit shows *Jesus Christ Superstar* and *Evita* has now composed his first musical work for television. Entitled *Tell Me On Sunday*, and starring Marti Webb, it will be screened by BBC Television in the new year.

This is the first time Lloyd Webber has collaborated with Don Black, whose song "Born Free" won an Academy Award. Like all Andrew Lloyd Webber's best known works *Tell Me On a Sunday* is entirely sung.

It is the story of an English girl living in New York and the various men in her life, and was written for a solo performer.

Marti Webb is making regular guest appearances as Evita in the West End stage production and is familiar to television audiences for her appearances in the series *The Songwriters*.

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On behalf of Casio Computer Co., Ltd. DRESSNER BANK Aktiengesellschaft
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NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the above-named Company will be held at The Regent of Kuala Lumpur Hotel, Jalan Imbi, Kuala Lumpur, Malaysia on Thursday the 15th day of November, 1979 at 12.20 p.m. (or so soon thereafter as the Meeting of the holders of the Scheme Shares as defined in the Scheme of Arrangement hereinafter mentioned) convened for that date by direction of the Court shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following Resolution which will be proposed as a SPECIAL RESOLUTION:
SPECIAL RESOLUTION
THAT—
(i) for the purpose of giving effect to the Scheme of Arrangement dated 23rd October, 1979 (the "Scheme") and circulated with the notice convening this meeting, the capital of the Company be reduced by cancelling the Scheme Shares (as in the Scheme defined); and
(ii) forthwith upon the aforesaid reduction of capital taking effect the share capital of the Company be increased by the creation of such number of Shares of 10p each as shall be requisite to restore the same to its former amount and the credit arising as a result of such reduction of capital be applied in paying up in full the Shares so created, such Shares to be allotted and issued, credited as fully paid, to Sime Darby Berhad or its nominees.
By Order of the Board, F.C. WHITTING Secretary.
DATED 23rd October, 1979.
Registered Office: 3rd Floor, 52/54 Leadenhall Street, London, EC3A 2AS.
Notes:—
1. A member entitled to attend and vote at the above meeting may appoint a proxy or proxies to attend and on a poll to vote in his place. A proxy need not be a member of the Company.
2. To be valid, forms of proxy must be lodged:—
(a) in the case of members registered on the Principal Register of the Company with Hill Samuel Registrars Limited, 6 Greencoat Place, London SW1P 1PL, England;
(b) in the case of members registered on the Malaysian Register of the Company with Barbinder & Co. Sdn. Bhd., Wisma Socfin, Jalan Semantan, Damansara Heights, Kuala Lumpur, Malaysia;
(c) in the case of members registered on the Singapore Register of the Company with Barbinder & Co. Pte. Supreme House, 12th Floor, Penang Road, Singapore 0823, and
(d) in the case of members registered on the Hong Kong Register of the Company with Lowe Bingham & Matthews, Prince's Building, 22nd Floor, Hong Kong.
and in all cases not less than 48 hours before the time appointed for the meeting or adjourned meeting at which it is to be used, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll.

FINANCIAL TIMES

43 MARK LANE, CANNON STREET, LONDON EC4A 3DF

Tuesday October 23 1979

REAL COST OF THREE MILE ISLAND

Disillusionment with U.S. nuclear power policies

Mrs Thatcher's Europe

IT TOOK THE British people, as Mrs Thatcher said last week, the whole of the 1950s to realise the need to belong to the European Community...

It is clear that one of the central aims of Mrs Thatcher's Government is that Britain and the rest of the Community should come to terms with each other once and for all.

Yet it is precisely because of the difficulties of the past that Britain and the Community are still potentially on a collision course.

Mr. Dayan and the West Bank

THERE MAY seem to be an irony in the fact that the Israeli Supreme Court declared illegal the Jewish settlement called Elon Moreh on the occupied West Bank...

Rightly, Mr. Dayan has seen implementation of the policy as a necessary step in the process of Israel and Egypt negotiating a form of autonomy...

The Israeli Supreme Court's judgment was a technical one given on the grounds that the privately owned Arab land near Nablus expropriated for Elon Moreh was not needed for security reasons.

WITHIN a few days the spotlight for which President Jimmy Carter called on the nuclear accident at Three Mile Island last March, will arrive at the White House.

Those opposed to nuclear power are already preparing to make greatest capital out of any weaknesses the unquestionably strong-minded commission headed by Dr. John Kemeny may propose.

For those countries without enough coal, costs of the "benign and renewable" energy sources—sun, wind, wave, tidal, etc.—have never looked remotely competitive on any but a minuscule scale.

Other electricity company executives are no less enthusiastic. Mr. Milan Nastich, vice-president responsible for planning and administration at Ontario Hydro, Canada's biggest electrical utility, calls the Candu reactor "a real money-making machine".

Remaining links

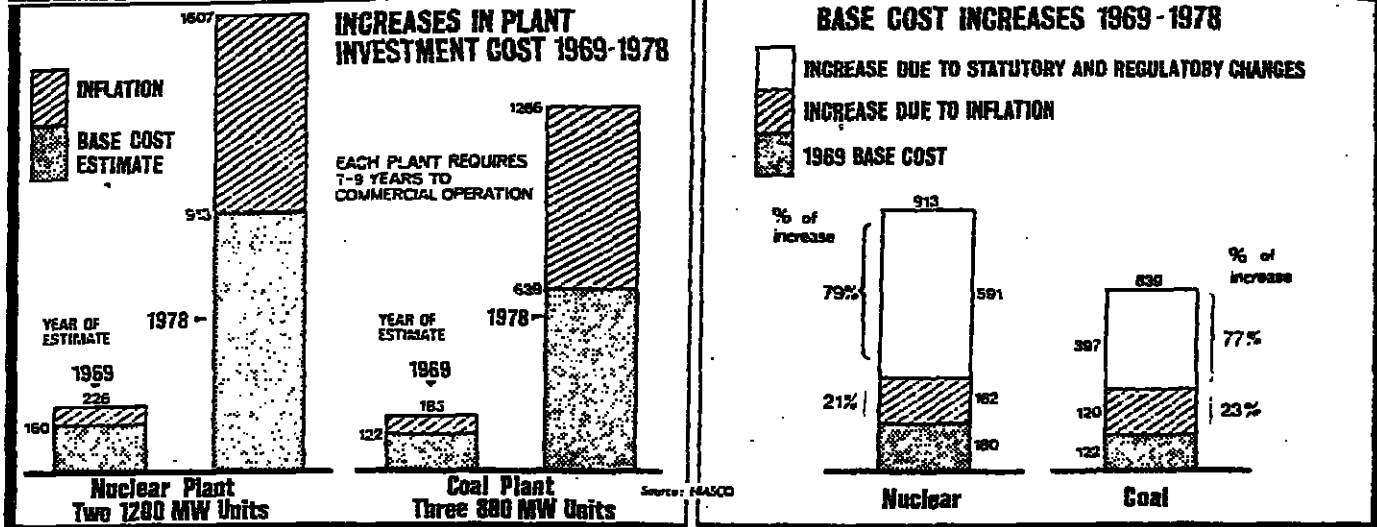
As a result, the other nations are now preparing to proceed with nuclear energy independently of the U.S. They will look to the U.S. neither for technological leadership nor as a major nuclear supplier.

What other nations cannot ignore, however, are some of the financial implications of Three Mile Island. These apply, in the view of the Copenhagen conference, much more to those countries with privately-owned electricity companies than those with state-owned supply systems.

The reasoning behind this view begins not with the claim "they can't do without nuclear energy"—never, a sound one, psychologically—but with the economic case for nuclear energy.

Public opinion Mr. Begin's policy in the occupied territories has divided Israeli public opinion, aroused increasing criticism among American Jews and caused intense strains in Jerusalem's special relationship with Washington.

BREAKDOWN OF US POWER PLANT COSTS (\$ per kW)



planning the fuel at around \$400m. But this is much less than half the total cost which the electricity group General Public Utilities expects to suffer.

Table titled 'UK INVESTMENT IN NUCLEAR, 1990 (1979 prices)'. Columns: Power stations, Transmission and distribution, Fuel cycle, Manufacture, Total. Values in £m.

According to Mr. Levinson, some hundreds of man-years of study have failed to disclose any new scientific phenomena—our basic understanding of the physics was and still is adequate.

There is no doubt, however, that the company owning the Three Mile Island reactor has suffered a severe financial shock. The politicians are still refusing to allow the reactor itself to be entered, but judicious sampling of its coolant shows that the ceramic fuel—while probably not melting—has been badly damaged through overheating.

ing expenses of families affected by the Governor's recommendation. Up to July, they had paid out over \$1.25m to more than 3,000 families.

Until this year, the safety record of the U.S. nuclear industry was so good that, under the Industry Credit Rating Plan, the insurers have been returning to policyholders some 99 per cent of the premiums they collected 10 years earlier.

Liability for Three Mile Island will fall upon the insurers in 1980. Mr. Boyland expects the refund next year to be considerably less—than the 85 per cent of the 1969 adjustment.

Less clear at this point is the insurance cover on the undamaged reactor on Three Mile Island. With the \$300m maxi-

MEN AND MATTERS

Refloating a dreamboat The energetic new MP for Dorset, Keith Wickenden, found time before the opening of Parliament yesterday to explain to a group of academics and industrialists the secrets of being an entrepreneur.

Ancestor worship Poland is in danger of gaining a new black market—in the newly-reprinted edition of a work on the coats of arms of the country's long-ousted aristocracy.

Guarding the wells The campaigner who makes dentists and Department of Health officials gnash their teeth in frustration was last week celebrating his ninetieth birthday in the autumn sun of southern France.

Daring orphans The conference, organised by the Institute of Economic Affairs, produced a number of interesting, though possibly useless, thoughts about the nature of the entrepreneur.

Lending rites

The new year will see the end of an era for those living on the Arctic island of Spitzbergen. From January onwards only Norwegian money will be legal tender; until now and for as long as anyone can remember wage cheques issued by the Spitzbergen coal mining company have circulated alongside Bank of Norway coins and notes.

Perhaps for sentimental reasons most islanders regret the decision. The mining company has a stronger cause for regret—through the years it had an average of Nkr 1.5m of child money in circulation, representing a useful interest-free loan from its employees.

Worldly wise A woman of my acquaintance who lives in Bayswater was last week showing her four-year-old son a photograph from her own school days. She had gone to a convent, so there were several nuns in the pictures.

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Observer

FINANCIAL TIMES SURVEY

Tuesday October 23 1979

Office Equipment

The remarkable growth of electronic information techniques is bringing about a revolution in the world of office equipment. Many of the latest developments are being featured at this year's International Business Show at the National Exhibition Centre, near Birmingham, (October 23 to November 1)

Major increase in new systems

By Max Wilkinson

IT SEEMS hardly credible that a thing so pure and abstract as information should be thought to have anything in common with industrial effluent. But it is not the effect of the office equipment industry can now be heard discussing the unsavoury concept of "information pollution" with the earnestness of public health inspectors. It is a sign, no doubt, that the information industry has come of age, since attention should now be shifting from its more dazzling benefits to the hazards of being enveloped by a fog of verbiage.

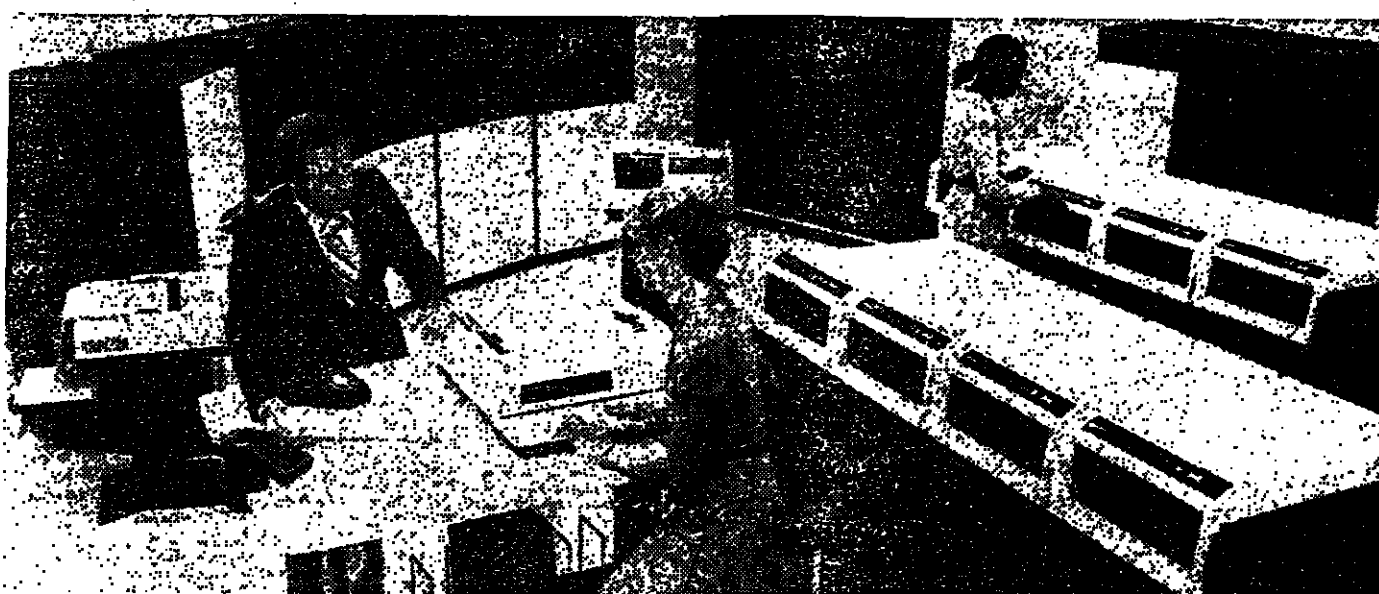
The industrial analogy is not frivolous. When electronics was first applied to office equipment, most people's attention was focussed on the technical possibilities, which were, and still are, astonishing by the standards of even a few decades ago. This fascination with the capabilities of machines is similar to the awe inspired by

nuclear power, motor cars and, in their time, steam engines. The technology on which the revolution in office systems is based will almost certainly prove as important to society as the earlier transformations of the way we produce energy, mechanical power and locomotion.

The time is long past when we could afford merely to marvel at the improvements of efficiency which the mechanical revolution produced. So also the wider effects and purposes of the revolution in electronic information techniques are increasingly being forced upon public attention.

The most obvious, is the effect on employment. The trade union movement in Britain, particularly, has been worried that computer-based systems for storing and transferring information will reduce the number of jobs available. These worries have resulted in opposition to plans to introduce computer based typing systems — the so-called "word processors". Post Office unions are worried by the prospect that electronic transmission of documents will reduce the need for surface mails; and in the newspaper industry, the introduction of electronic typesetting and information systems has been blocked for several years by the vigorous opposition of union groups.

However, although electronic systems will certainly change patterns of employment, with severe results in some sectors. Evidence about the overall long-term effects on jobs is conflicting and uncertain.



Evidence so far suggests that electronics in the office is unlikely to reduce jobs—although it may change them. Above: one of four new large-scale computers from Honeywell. The equipment, DPS 8/20, has highly-advanced communication and network-orientated capabilities

Large numbers of entirely new types of job will be created, and nobody yet knows whether these will outnumber the jobs lost in more traditional occupations.

The evidence so far indicates that electronics in the office is unlikely to reduce jobs, although it may change them. The introduction of word processors and automatic typewriters with an electronic memory has generally improved productivity by around 50 per cent, for example. But the general effect seems to have been the production of more and better documents

rather than the reductions of staff.

In the U.S., where the use of word processors is much more common than in the UK, productivity in the office has been rising at an average of less than 1 per cent a year.

Despite the introduction of computers, plain paper copiers and other office machines, the proportion of business expenses taken up by office costs has been continually rising from about 25 per cent in 1955 to nearly 50 per cent now.

The greatest part of these office costs is still wages and

salaries, since the average capital expenditure on office machinery is still only about \$2,000 to \$4,000 per worker, compared with about \$25,000 to \$30,000 for each employee in manufacturing industry.

Despite the relatively low level of capital equipment in most offices, the naive idea that cohorts of clerks and secretaries can be replaced by machines is generally losing ground. It has been realised that computers are not simply clerks which do not eat bread (although they can be used as such). Computers can do things which

entire rooms full of cheap labour clerks could not do. They provide and process much more up to date and sophisticated information which companies increasingly need if they are to stay competitive. Electronics is therefore being used to provide a different quality of information, rather than to process the same information more cheaply.

One of the more spectacular examples of an information network's capabilities is the world-wide system used by Texas Instruments, the largest semiconductor company, to link its 48 centres throughout the world.

Designs for a silicon chip made in Bedford, UK, can, for example, be sent by direct satellite link to the company's Dallas headquarters, where it may be processed into production data which will be beamed to any factory with spare capacity, anywhere in the world. Moreover, engineers who are thousands of miles apart can work on the same designs by means of these telecommunications links.

The system is also used for the "internal" office communications of people in offices spread throughout the world, often without the need for any paperwork. A message typed into one keyboard can be flashed up on a screen anywhere else. Moreover detailed production figures, orders and inventories are collected and transmitted to the computers in Dallas in an almost incessant stream.

This highly sophisticated system has been developed by Texas Instruments for the rather specialised needs of a new and international industry. The network has grown with the company, whose methods of operation are intimately connected to the electronics which make the system possible.

The application of electronic technique to older, more traditional enterprises, can however, run into many difficulties, because electronic systems may suggest radically different methods of organising the business. Unless very careful thought is given to the relationship between the new and the old, absurdities and inconsistencies can result, perhaps with

very bad consequences for the business.

The phenomenon of information pollution is just one of the hazards. Mr. Peter Benstead, marketing director for IIT's UK business group, explains the problem as it applies to the installation of communicating word processors: "It will be possible very soon in any organisation to circulate a given memo to all other communicating word processors in the system at the press of a few keys—no carbons, no copying, no mailing—just the pressing of a few keys on the original word processor."

"So who is going to lay down the rules for the use of the communicating word processor? Who should get what information? I have a very real fear that we have already entered an era in which we shall over communicate."

The disadvantage, he says, is not the cost of generating or distributing information, which is falling all the time, but in the ability of office workers to sift and absorb the information which will become available to them.

A management study of a scientific establishment in the U.S. recently showed how electronics could contribute to the congestion of information channels.

It was found that the use of word processors and electronic filing systems had helped to generate an enormous extra amount of "paperwork," much of which was unnecessary, or self-perpetuating.

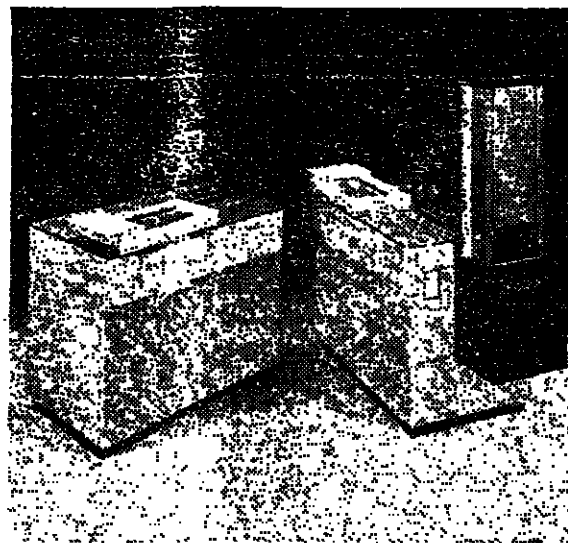
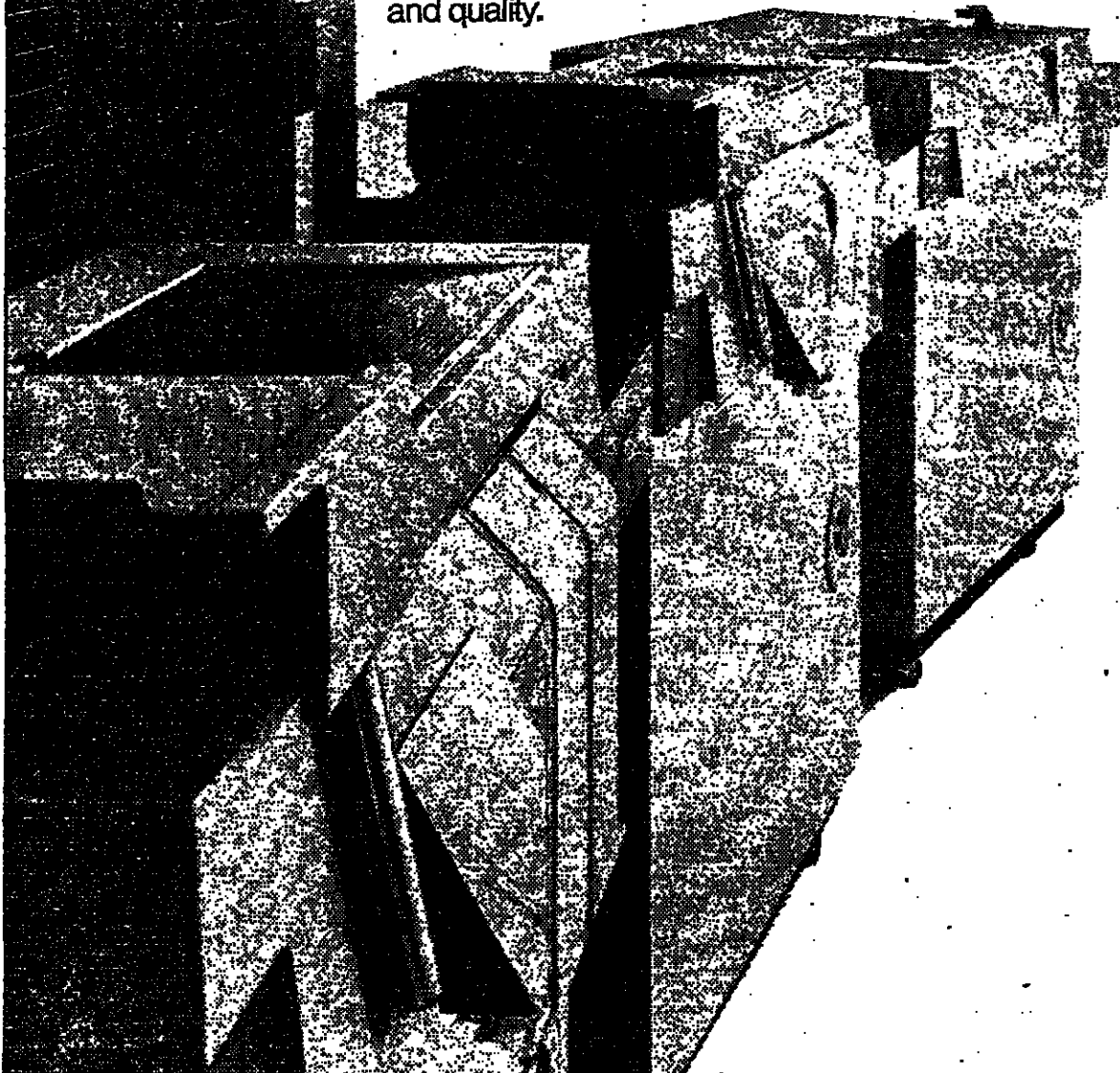
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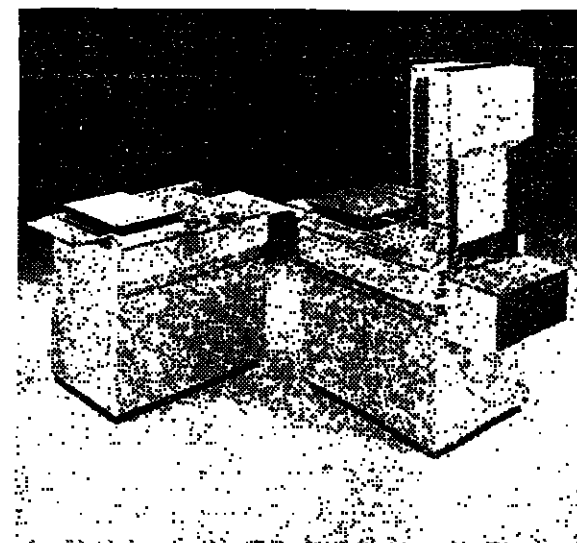
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Important changes ahead

THERE IS no business, it seems, like office equipment business, especially if you mix in some electronics for good measure. There are three forces at work which are dramatically changing the world of office equipment and encouraging many large companies, well-known in other industries, to attack this growing market.

But what is the vision which is spurring giants such as IBM, Rank Xerox, Philips, as well as UK companies such as GEC and Plessey, to invest in developing electronics office systems? It is the belief of a totally electronic office—in which paper becomes a thing of the past. Mail is delivered electronically between offices, all files are stored and retrieved from a computer's memory, while orders and reports are handled through a central system, which also controls communications.

But to achieve the totally electronic office system it is inevitable that three industries, which together will provide the

technology needed, will converge. The day will come when the computer, telecommunications and office equipment industry will merge into a single entity providing all the parts of a complex information and communications system which will be the electronic office of tomorrow.

This convergence is being planned by companies today. IBM with its dominance of the computer industry—it has 60 per cent of the world market—is using its expertise in computer technology around which to build its office system while Plessey in the UK is moving towards convergence through telecommunications.

Plessey's strategy is based around a digital telephone exchange, the PDX which is built under licence from the U.S. Rolm Corporation. But Mr. Des Fitcher, managing director of the new-look Plessey Telecommunications and Office Systems is at pains to point out that the company is not in the office equipment business, but in

office systems. He maintains that office systems do not yet truly exist, but will come with convergence. The objective of Plessey, which only recently declared its intention to attack office systems, is to aim for the highly paper-oriented blue chip companies.

Plessey is using the PDX system with its digital switching and transmission technology to integrate all the communications services required of an office, such as Telex and facsimile, word processing and sophisticated telephone dialling facilities. Digital switching exchanges—such as the Post Office System X and those being developed by Siemens and Philips—will rely very much on computer technology. In fact, they will be computers on a large scale. However, they will not be installed until well into the 1980s.

It is the private telephone exchanges which are installed into offices which will first take full advantage of digital techniques. Plessey, Philips and IBM are among the companies which

have already taken this step. IBM was one of the first to introduce a computer-controlled private automatic branching exchange, the IBM 3750. Already IBM has won a significant share from traditional British suppliers such as Plessey and GEC.

But the exchange is just part of an overall plan which IBM has not yet revealed. Already, it has added a sophisticated word processor which can be connected to a computer, the 3730. Eventually, both these systems will be able to link up—the close similarity in the model numbers points to this.

Philips, the Dutch electronics group, is also keeping its plans close to its chest. Its subsidiary, which deals with office systems, is Philips Data Systems which was formed in 1968 to concentrate on the groups data processing expertise in small and medium sized computers which it aimed at office applications.

Earlier in the year it announced that it had set up a committee to look at the way the total Philips expertise in telecommunications, computers and office equipment—Philips is a leader in dictation equipment—to see how this could be brought together under a single umbrella.

A UK software company, was the first to sign up with Nexos which has programming expertise and knowledge of its application in telecommunications.

Then came the agreement with the U.S. company to provide computers and word processors. Finally, there came the agreement with Muirhead, a major manufacturer of facsimile equipment. Nexos, like Plessey, is aiming at systems, not separate pieces of hardware.

International Computers, another British manufacturer, is also attacking from its position of expertise. It has a large share of mainframe computer market in the UK but a few years ago managed to buy into the microcomputer market.

Rank Xerox, as well as America's largest oil company, Exxon, through its subsidiary, Vydco, are both into word processing systems. They, too, are trying to win a share of the market which, in Europe alone, is estimated to be worth £10bn by 1983.

However, until convergence takes place, office equipment manufacturers can concentrate quite happily on one particular sector of the market such as typewriters, telephone, facsimile, Telex and dictation equipment. Olivetti, Lanier, Dictaphone and other leaders in these individual markets will exist side-by-side with the growing systems companies.

It is interesting to see that even those concentrating in one particular sector are now developing equipment which will form part of an overall system. For example, in the dictation market, centralised systems have been put on the market. All are microprocessor-based and most manufacturers are pushing the fact that they can form part of an integrated office system.

Sony, the Japanese hi-fi company, entered the office dictation market only this year but already it has introduced eight

models, including a fairly simple centralised system. However, dictation may just be the start of Sony's plans and it is believed that other equipment such as word processors is well under development.

The facsimile market, although still in its infancy in Europe, is well-established in the U.S. and Japan. Now that international standards have been finally settled it is likely that this market will grow. Rank Xerox was one of the earlier companies to enter this market and has been followed by 3M, which acted as a distributor for a Japanese manufacturer for many years. Olympia is also in this sector as well as the dictation sector.

Office and Electronic Machines, which distributes Adler machines in Britain, is soon to enter the office facsimile market while Kalle-Infotec is still having success with its fast digital facsimile. This year both the German Siemens and another company, Secre, secured contracts with telecommunications authorities.

International Telephone and Telegraph also entered the European market with a modification of one of its U.S. products.

According to market analysts, Frost and Sullivan, IIT has already secured an order from a telecommunications authority and could become a leading supplier in the private sector.

While the term "office equipment" today covers an increasing array of products from a multitude of manufacturers (too many to discuss here in detail) there is, however, a pattern emerging. Electronics is the thread which is now drawing together many aspects of the market. Eventually, this electronic thread will form a huge "web" at the heart of which there will be convergence.

Elaine Williams

Expansion

It is likely that Philips also has convergence in mind and could be heading for a major re-organisation in its activities in these three areas. The organisation has already declared its intention to expand its activity in professional products by concentrating on the various elements of business automation.

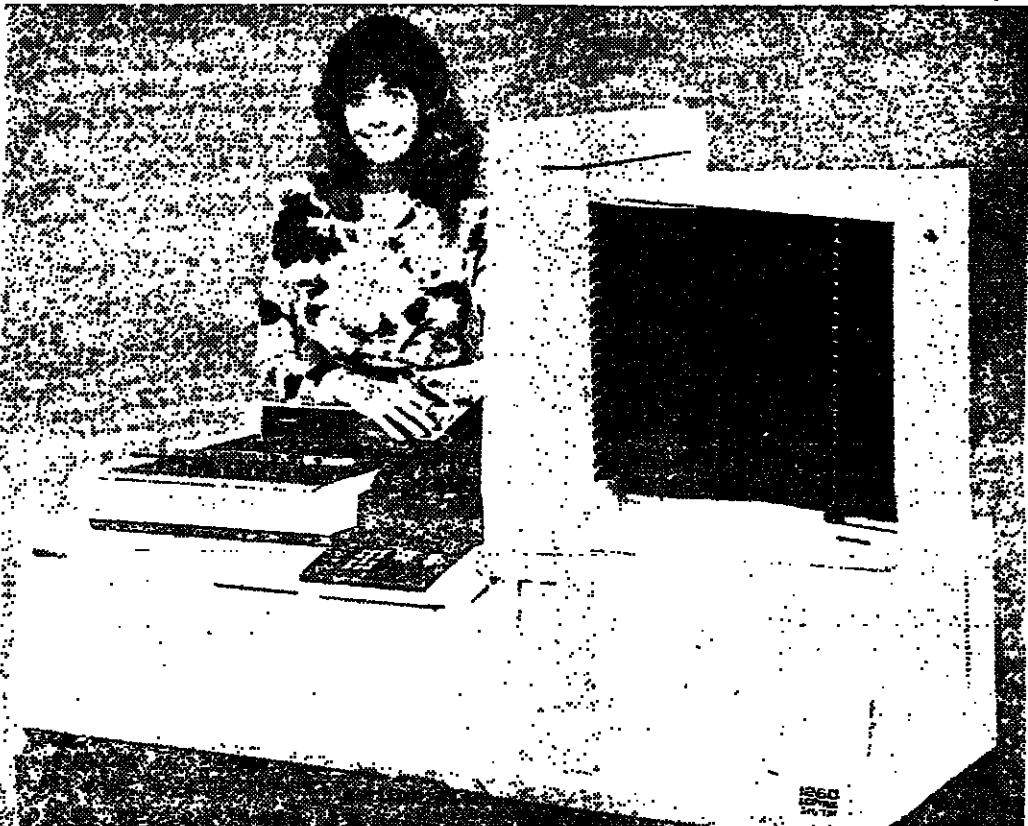
There are many companies which are trying to gather the elements of complete business systems around them. In Britain, for example, GEC has plans which are not so advanced as either IBM or Philips. It took over the U.S. company, A. B. Dick which has a range of word processing typewriters, but it lacks a digital exchange, although it has the computer expertise.

The National Enterprise Board in Britain set up Nexos, under the auspices of the last Government to co-ordinate individual office equipment companies into providing complete office systems.

It has formed agreements so far with three companies to build up a total system, Logica,

UK BUSINESS ELECTRONICS			
Major growth areas			
Sector	Growth	% 1979/1985	Average % p.a.
Word Processors		780	30
Electric/Electronic Typewriters		183	130
Cash Registers—Electronic		214	36
Dictation Systems		125	21
Accounting Systems		220	37

Source: Larsen Sweeney



The Nashua 1260 copying system (above) incorporates a 20-bin collator, a document feed attachment for automatically positioning and returning originals, up to 30 copies/minute copy output, a warm-up time of only 1.5 seconds, and a press button "calculator-style" copy quantity selector

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FT/N/10



The Infotec 1501 plain paper desk-top reduction copier

Systems

CONTINUED FROM PREVIOUS PAGE

department was circulating all its memoranda and reports to other departments "for information." The receiving departments were then making alterations and suggestions which were themselves widely circulated, and which consequently generated discussion and commentaries. The volume of information therefore expanded to fill the capacity available to it, instead of being sensibly restricted by the limitations of traditional document handling systems and the capacity of typists.

When confronting the tremendous power of modern information systems, companies must therefore be aware of two opposite dangers. On the one hand, they cannot afford to be far behind their competitors in reducing office costs and increasing the general efficiency of the business.

But, on the other hand, they must not allow a fashionable fascination with machines to overthrow a judgment about the precise way in which a business should be organised. Computer systems have, in the past, sometimes imposed rigidities on businesses which were not expected by the buyers and certainly not explained by the salesman.

Probably, one of the most important tasks now facing the office equipment industry is to devise systems which will avoid the rigidities of over-centralised systems, while, at the same time, creating a structure which will prevent the "pollution"

which can arise from too much information buzzing around between large numbers of sophisticated terminals.

Most of the major suppliers are now giving a great deal of thought to this problem. It involves a careful definition of the relationship between electronic equipment used for particular tasks such as typing, calculation, filing, accounting and stock control on the one hand, and on the other, the needs of an organisation to secure closer integration by wiring all these machines up to each other and connecting them to a network of central computers. They have to solve not merely the technical problems of enabling all the different machines to communicate with each other, but also confront the weightier question of how the machines can best be used.

Change

A common thread in all the different approaches to this question is that emphasis is shifting from the production of equipment aimed to increase secretarial efficiency towards systems which will improve the effectiveness of managers. The general reason for this is that the constraints of work energy supply and the competitiveness of most markets are tending to limit companies' opportunities for expansion. Increased profits must, therefore, come from better efficiency, which requires

more sophisticated methods for managing assets and managing production.

The marketing of International Business Machines' latest small office systems is now aimed squarely at these management needs, and most of the major groups in the industry are following suit. The continued fall in the cost of computing power (by about 30 per cent a year) make it possible to envisage the time when every manager will expect to have his own computer with a screen and keyboard and talk and respond to simple voice commands.

Unlike the present day calculators and most "personal" computers, these new terminals will almost certainly be linked into the larger office systems and their electronic files. It is therefore probable that the distinction between the office equipment and the computer industries will be rapidly eroded. Almost all office equipment, even including the more expensive copiers, will be electronic and will use the digital language of computers.

As a result, the small office equipment companies will come under strong pressure from the larger multinationals which have the resources to develop complete systems, which will allow many different types of equipment to be plugged together into a rational and efficient but non-polluting whole.

مركز من الناصري

OFFICE EQUIPMENT III

State initiatives on the Continent

ALL MAJOR Continental European countries now have a plan, or series of plans, for the promotion of an electronics industry. In most cases these include a strategy of some sort for office and communications equipment. In each case, too, the PTT (Post Office equivalent) is an integral part of the developments; in France it occupies an entirely central role.

In May 1977 the French Government initiated a programme to encourage the use of microelectronics first in the electronics industry and secondly in other industries where it could and should be applied. The first category naturally included the data processing industry and advanced office equipment. Native semiconductor production was vested very largely in Thomson CSF and its subsidiaries, together with some U.S. multinational production (Texas and Motorola), a Philips (Holland) subsidiary and SGS-ATES. At the end of 1978 it was announced that four consortia for the manufacture of semiconductors had been developed — two based on Thomson, one on the Philips subsidiary, RTC, and one on a joint venture between the glass-making group St. Gobain-Pont à Mousson and the U.S. company National Semiconductor.

This second part of the programme centres round the series of initiatives contained in the "Nora" report (written by M. Simon Nora, the Inspector of Finance). The report, which generally forecast unemployment of around 2.5m among office workers by the end of the century, also called for the widespread adoption of computer-based technology as a way of increasing productivity and exports.

Another recommendation—to establish a Ministry of Communications—has not yet been endorsed by the Government. But the PTT and the electronics and communication companies, led by Thomson and CIT Alcatel, are already acting in the spirit of Nora. The PTT has embarked on an ambitious programme to digitalise its network over the next ten to fifteen years, in the meantime putting a (free) videotext in every home by which subscribers may gain access to directory information and, in future, other information as well. The companies are well ahead in development of facsimile equipment, word processors and communications control system: the general spurt of energy derived from the massive PTT investments has encouraged new products and risk-taking, and has brought success in export markets.

In Italy some £600m has so far been laid aside as Government aid to the electronics sector, almost certainly the highest amount of any European country (though it must be remembered that many of the companies in this sector are wholly or partially nationalised). The electronics plan calls for the modernisation of the Italian industrial and commercial system, and extensive import substitution. In the computer and office equipment division, the plan calls for increased research into minicomputers, data networks and general software, with subsidies of up to 60 per cent of total expenditure and low interest loans of up to 90 per cent. Internal production is

forecast to grow at between four and five per cent. On the telecommunications side further assistance in the development and use of advanced products will be given by increased expenditure on digital systems, with the aim of both modernising the domestic network and increasing imports.

While many Italian companies in this sector are comparatively small, the country is fortunate in having one of the world's major producers of office equipment, Olivetti, 70 per cent of whose products are exported. Olivetti has developed a wide and diverse range of advanced office products. Over the past year it has introduced the ET101 electronic typewriter, with logic memory and a text-editing function, and a new range of programmable and desk-top calculators (Olivetti has successfully gambled on the fact that business users continue to demand larger calculators with hard copy print-outs).

It has also introduced a word processing system over the past year—the TES 501—a range of new copiers and a number of small business computer systems. The company is now clearly well placed across the current range of advanced products.

West Germany's State support has so far tended to be more modest than that of other countries, and much of it is channelled towards the two major companies of Siemens and AEG Telefunken, which are themselves (especially the former) investing large sums. Both semiconductor and data processing markets are, typically, dominated by U.S. companies and technology. Siemens, for example, has only around 18 per cent of the computer market.

However, Siemens, one of the top five world electric and electronics companies, has enough strength to develop strongly in this direction. The company is second only to Philips among European semiconductor manufacturers, and is linked with the U.S. company Advanced Micro Devices (30 per cent stake). Its Data and Information Systems Group, which had been running at a loss, returned to profit last year and is pushing up its commitment to small office systems.

The West German Government, though not yet such a big spender as others, nevertheless recognises a role for itself in the social application of the new business technology. In a paper presented to a Financial Times/Mackintosh conference on electronics earlier this year, Dr. F. R. Guntach, deputy secretary in the Federal Ministry for Research and Technology, warned that "we must not be blind to potential dangers that technological developments hold for employment, an individual's freedom, self-determination and choice, as well as for international order. Whenever technical processes impair our vital interests and social progress, the government must define the framework and thus the limits of such processes. We must not only remedy their adverse consequences afterwards, but we must try to define and implement a reasonable framework and system of incentives for a type of growth which saves both energy and raw material coupled with environment-oriented humane and competitive jobs." Two other companies, both based in small European countries, should be mentioned. Ericsson, the Swedish telecom-



Production line at the group's Turca factory in Italy for Olivetti's TES 501 Text Editing System, which offers comprehensive word processing facilities

munications company, has provided something of a model for others in the industry by its efficient and rapid development of a digital telephone switching system—the AXE—and has had great success with it in the export market. The system is highly modular in design, anticipating the diverse uses businesses now want to make of their communications system.

The Dutch company Philips, another of the world's "top five," continues to introduce a number of new products in its information systems division, including office and small business computers, the P7000 range of multi-station systems and an optical recording system for the rapid retrieval of data and word processors. The latter activity was boosted by the acquisition of the Canadian company Micon: while office computer products were strengthened by the purchase of the U.S. Peritek Computer Corporation. The company is extremely strong in dictating equipment, and is presently developing a range of voice actuated equipment.

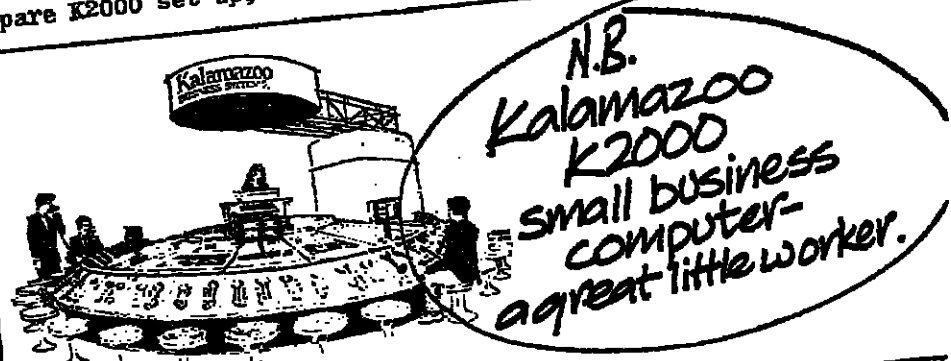
The strength of the Continent as a whole in this sector will depend first on its rapid adoption of microelectronic technology; secondly, on its development and marketing of new products based on that technology; and thirdly, on its capturing markets from and retaining markets against, U.S. and Japanese competitors who are presently stronger in most areas. A key element will be data processing: IBM continues to dominate, but Japan is now pushing hard. Many fear that medium-sized companies, many of them—such as Siemens, Cie Honeywell Bull, Philips and ICL among the UK-European based—will get caught in the crossfire—though there is no inevitability about their being killed by it.

John Lloyd



The Jacquard J100 multi-user system, a fully expandable mini-computer which carries out simultaneous word and data processing with communications

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Date	23rd Oct - 1st Nov	Stand 194 & 201
Exhibitor	Kalamazoo BUSINESS SYSTEMS	
Overhead modular steel gantry (3 metres dia.)	(WHAT?!!)	✓
Revolving turntable	live demonstration of Kalamazoo K2000	✓
Coffee machine	- don't forget the coffee this time!	✓
Effects lighting, low comfy stools		✓
Personal commentary ... TV monitors, handset receivers, speakers, etc.		✓
Carpeting - KALAMAZOO BLUE?!!		✓
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OFFICE EQUIPMENT VI

Labour and the microchip

WHEN Mr. Clive Jenkins, the new general secretary of the Association of Scientific, Technical and Managerial Staffs, launched a recent recruiting drive (based around the effect on jobs of the silicon chip) he chose as a symbol of the campaign a picture of a dustbin full of white collars.

While his union has vigorously pointed out that clerical workers were by no means the only group likely to be affected by the advances in micro-electronics, one of the campaign's slogans—"One chip is worth 800 white collars"—effectively pinpointed the extent of the implications of micro-processors for the future of office work.

The trade union response to the impact of the microprocessor in the wider social realm has, in many ways, led the field. While as the TUC has pointed out, this is to an extent unsurprising—scientists will be absorbed in the exploration of new processes and techniques; managers will be searching for greater financial returns and profitability. Only trade unions and Government can insist that the use of new technology must take account of the widest human and social, as well as economic, implications—"it is a rebuff to those who often accuse the trade union movement of Luddism."

Response

The official view has been more cautious on, for instance, the numbers of workers likely to be affected by the coming of the chip, but, in published form, the trade union response has been as thorough-going as any. Unions, particularly those in the white-collar sector, have been keen to raise the question: while to an extent the issue offers obvious recruitment potential by the unions' implications that the only way to counter the effects of the microprocessor is to bring the strength of the trade unions around you, many union responses have been carefully thought-through and, taken in total, do well as an answer to the charge that unions can only react rather than initiate debate.

While the Transport and General Workers' Union, which covers a huge range of mainly manual jobs, has, for instance, offered its thoughts on the issue, it is in the main the white-collar union which has set the pace. Most have examined not just

the likely effect of the chip on the employment levels of clerical workers, but the effects on those who will keep their jobs but whose work—its productivity level, satisfaction, status, necessary skill, health and safety—may markedly alter.

Most, too, recognise the much longer-term, near-science fiction prospects being put forward—the so-called "electronic office," reportedly being gingerly tested in America, for example—but in the main, acknowledging that, no matter how powerful, it may still take time for the effects of the chip to break down traditional physical and psychological boundaries in office life, they have tended to concentrate on the short- and medium-term effects on the traditional work of offices, rather than their transformation into communications centres linked principally by visual displays of information, rather than paper letters.

The word processor—some combination of a microprocessor-based mini-computer; a storage facility, based either on floppy discs or cassette tapes; an input keyboard; a high-speed printer; and a visual display unit—is seen as the centrepiece of the likely change in office life and employment.

Though relatively new, word processing equipment is recognised by the unions as rapidly becoming cheaper for employers and therefore likely to have an increasing effect in commerce and industry.

The extent of its uses are difficult to estimate, though the Association of Professional, Executive, Clerical and Computer Staff—a title in itself indicative of the change from the old clerical workers' union at the core of APEX—in a closely-argued document, *Office Technology: the Trade Union Response*, puts the number installed in the UK at about 87,000—well below the 45,000 units in West Germany and the estimated 350-400,000 units in the United States.

In a further estimate endorsed by the TUC, the union, however, puts the future growth of word processing units in the 1980s at 30 per cent or more per annum, though it recognises that UK sales may well be limited by "apparent management conservatism in the face of the new technology."

The APEX report identifies five main factors on which the impact of the new technology on office jobs will depend: the technological capacity of the equipment; its assimilation into

industry and office life; the overall performance of the UK economy; the extent to which the economy can produce new jobs in new areas to replace those displaced by the new technology; and the attitude of the trade unions.

The unions recognise that the technological capacity of the new equipment will have the net effect of a substantial increase in office productivity—some estimates put the increase at as much as 100 per cent.

Halted

Figures instanced by the TUC on the projected staff levels over the next 10 years in an unnamed Government department show that the number of clerical staff would be likely to increase by more than a third under the present manual system of work, from 2,461 to 3,393; however, under a computerised system, while the numbers would not be cut, the increase—and, therefore, the unions argue, the job potential—would be halted: only 31 further jobs over the 10-year period.

The impact on typing staff in the department is more dramatic, though, and illustrates the type of effect which has worried the core of trade union wariness toward technological change. Under a manual system numbers would rise by 35 per cent from 490 to 662; under a computerised system, numbers would plummet from 490 to a mere 20—a massive drop of more than 2,000 per cent.

Estimates from other sources, including Siemens, the German electronics company, which has suggested that 40 per cent of present clerical work could disappear by 1990 through the use of automated equipment, add further force to the TUC's example.

Assimilation of the new technology into office life might well prove to be less of a certainty than the equipment's technological capacity. The two most widely-available current types of word processing equipment are the "stand alone" units, which house all the major sections of a word processor in one unit in one location, and "shared logic" systems, which are more powerful units able to handle larger volumes of work from a number of sources.

Employers at the moment tend to be drawn towards stand-alone units, particularly on the grounds of cost, but also on their ease of introduction to office procedures and their only

minor disruption. By contrast, the introduction of the more powerful shared logic systems, which are most cost-effective for high-volume applications, usually means a major reorganisation of the office space and procedures.

However, the cost of both types of unit, seems likely to continue to fall; advertisers often point to the cost of their word processors in comparison with the annual cost of a typist. Unions, possible reluctantly, accept that the present gap may well close further and even be reversed.

APEX and other unions have voiced doubt that the economy will be able to recover from the impact of the chip on jobs. The TUC's response is to press for a commitment to full employment, with public services being expanded to take in the labour displaced by the introduction of micro-electronics in manufacturing and service industries. However, the decision of Mr Jenkins and ASTMS is to argue that increased paid leisure—a shorter working week, year and working life—should become negotiators' targets.

While unions fear that existing industry may not be able to take up displaced labour, they recognise that the chip

will create some jobs, particularly and obviously in the electronics sector and in data processing. In the example of the Government department quoted above by the TUC, for instance, the number of data processing staff under the manual system would rise in 10 years by a third, from 31 to 28 staff. Under a computerised system the increase would be from 21 to 172, a rise of more than 700 per cent. To take account of this, the TUC and individual unions are pressing for money to be set aside for training and educational programmes.

Finally, the attitude of the unions: this has shifted from ignorance, to fear, to realising the need for more information, to obtaining that and finally to positive steps. Individual unions and now the TUC have issued guidelines to negotiators, designed to keep union hands on the reins.

Central to those guidelines is the idea of offsetting the impact of the new technology through the introduction of reduced working hours. Indeed, one of the points repeatedly made by Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, during the recent engineering industry dispute, was that the reduction

in hours to a 39-hour week, which the unions eventually achieved, though not until 1981, was an essential response to the prospect of the introduction of new technology in the industry.

Whether the clerical unions, many of whom enjoy less brute power and solidarity than was wielded in the engineering dispute, can achieve a similar breakthrough is more open to question. Though the introduction of the new technology into offices will be gradual, in the private sector unions believe that the most quickly-affected firms will be the small ones such as solicitors, estate agents and small manufacturing companies where trade union organisation is low and the option of using word processors to replace workers an attractive one to employers.

Powerful though some of the formally-stated trade union arguments may be, it will be the new technology agreements negotiated by the unions which will prove the real test of their responses. If the clerical unions fail to live up to their guidelines, then the gloomy prospect of Mr. Jenkins' dustbin full of white collars may become more than just an effective photographic symbol.

Philip Bassett

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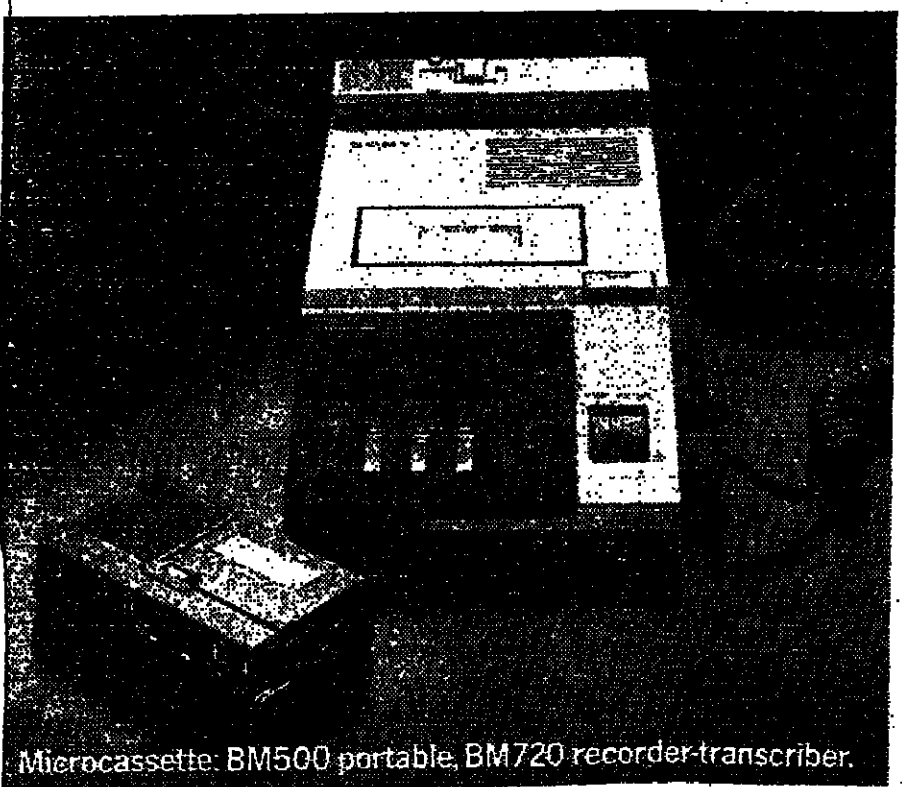
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Standard cassette: BM15 portable, TC150 portable, BM40 recorder-transcriber.



Microcassette: BM500 portable, BM720 recorder-transcriber.

To: Bill Rowland, Sony Business Systems, Pyrene House, Sunbury Cross, Sunbury on Thames. I'd like to know what I really sound like. Please send me some more information on your dictating-machines.

Name _____ FT/23-10

Position _____

Company _____

Address _____

Tel. No. _____ **SONY**

OFFICE EQUIPMENT VIII

Computers market changing

ONE EVENT that all users of big computers should keep before their minds is the statement made some time ago by Frank Cary, head of IBM, that over the next several years his company would undergo a "sea change" and earn up to 50 per cent of its revenues from program products, rather than from medium to large-scale computers.

It is against that backdrop that users should judge many of the recent events in the big machine arena. IBM has been suffering much more in its large machine sales area at the hands of the "plug-compatible" or direct replacement machine companies than from its traditional rivals. Between them, Amdahl, Intel (now under the National Semiconductor wing) CDC and Magnuson, among others, are expected to take at least 5 per cent of IBM's traditional users over the next several years.

And that represents a very large sum of money. An IDC Europa study of migration patterns in Western Europe in the period 1978/81 for IBM machine-users shows that

substitution of plug-compatibles for IBM equipment are likely to rise from 11,690 sites in 1978 to as many as 14,183 in 1981, based on an analysis of user intentions. Machines involved run from the now obsolete 360 series to the 4300 on which the giant company has recently had to announce serious delivery delays.

In other words, the plug-compatible machine makers who, five years ago were nowhere or didn't exist, will have taken 5.12 per cent of IBM's market base within two years. Any further delays to 4300 series could push this overall percentage up to a very much higher level since the impact of the Magnuson machines has yet to be felt. But in the meantime, if one looks at the very large machines (in the £1m to £2.5m bracket), the PGM group's share goes up to as much as 22 per cent.

All these machines run IBM software and, so far, only Hitachi Fujitsu which make the largest units in the Intel series, have produced a competing machine operating system. Meanwhile, users of IBM and

competitors' equipment in this area have concluded, after a number of IBM product announcements and protracted speculation about the large future machines, that the safest thing for the time being is not to buy but to bide their time, using any other acceptable method of getting new equipment, until the picture clears.

This is one reason why Intel ran into serious trouble and why Amdahl's revenues have faltered. But the effects have boomeranged on IBM itself as recent events have shown. And not helping the situation at all is the hiccup with the 4300 series which could result in a further swing away from IBM and towards the various superminis now being heavily promoted by DEC, Hewlett Packard, Perkin Elmer, Prime and Data General, among others.

It is interesting to speculate to what extent "user-liberation" will affect other traditional machine makers. According to Mr. Brian Long, managing director of the UK wing of Honeywell, all manufacturers will move deeper into computer services to protect their revenues.

Since the UK services industry is growing at an average rate of 25 per cent, while some bureaux have recorded a 50 per cent expansion in 1978/79, manufacturers' interest in the area is hardly surprising.

Honeywell is deeply involved in world networks through Geisco. IBM in the UK is gently expanding the services available from its vast Warwick centre, and particularly to management. But what are users to make of the predictions from Creative Strategies International of San Jose, California? That group believes that IBM is shifting its corporate priorities to small business computers, an area in which it will dominate throughout the 1980s. Since the small business systems sector of data processing has been expanding at around 30 per cent in the last two years, the switch in emphasis from Number One is understandable.

If that is so, IBM would do well not to repeat the experience of System 38, much vaunted replacement for smaller installations such as System Three. The delays of up to a year potential users have been warned of have caused serious concern to computer user associations (CUA) everywhere since advance orders for these machines are thought to be in the region of 20,000. Britain's CUA has protested strongly on the basis that potential users already had been planning their new installation moves for over a year and now faced a lengthy wait during which their older and less efficient machines would place a heavy burden on available manpower. It has been pressing for substantial reductions in rental to sweeten the pill.

Where these moves leave the average office manager in a big company is hard to say. If he is aware of a switch at his

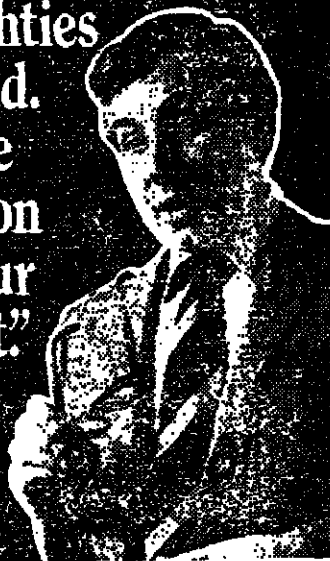


The introduction of the Vydec 2000 at this year's International Business Show brings further concepts in text processing and communications to word processing systems. With communications capabilities built into the 2000, the user can choose the model that suits his changing needs—from a stand-alone word processor, there are versions that communicate with other Vydec systems and computers, or are Telex terminals without paper tape



The Commodore PET 2001 series personal computer

"Banks today are planning for the eighties and beyond. Philips are in a position to share our view-point."

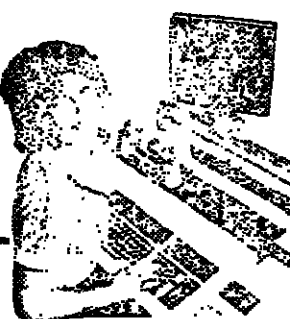


Banks have always been closely involved with new developments in computing. Many major advances in data processing are the result of co-operative relationships between the banking community and its computer suppliers.

The Philips PTS 6000 Financial Terminal System is a good example. Originally developed by Philips in cooperation with a leading European bank, the PTS 6000 system has now become the world's leading range of financial terminal equipment, with 25,000 cashier positions in banks, building societies and local authorities.

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Computers that talk your language

To Robert McCong, Philips Data Systems, Elstera House, Bergholt Road, Colchester, Essex CO4 5SE. Telephone: 0206 525. Please send full details on the PTS 6000.

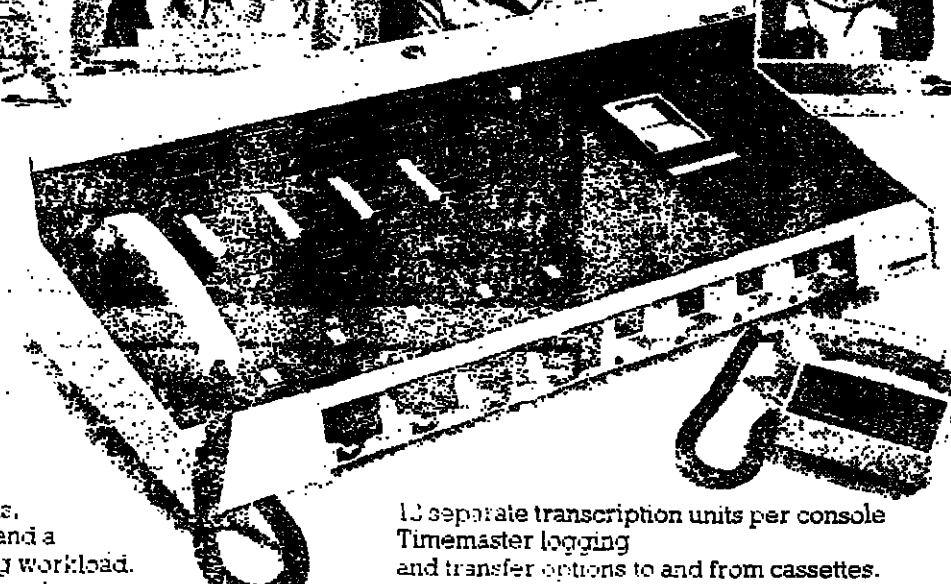
Name: _____
 Position: _____
 Bank: _____
 Address: _____



How to give different typists equal efficiency



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Different girls, different speeds and a constantly varying workload. Until now, the only way to achieve true efficiency without overloading the fastest typists, was to employ a superb W.P. supervisor to monitor input rates, output and quality.

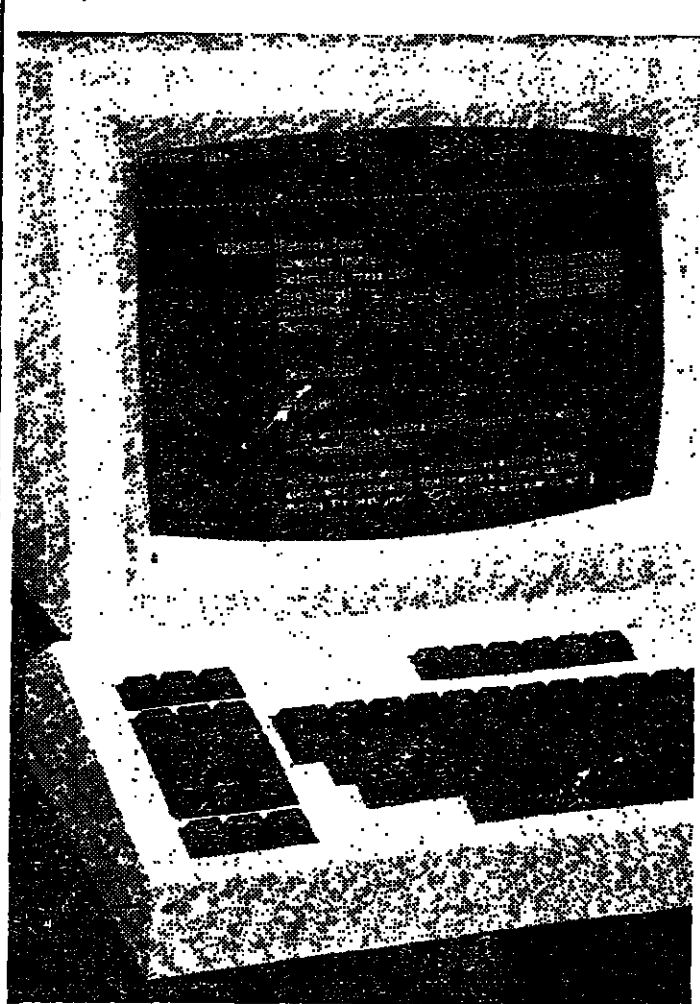
Now there's Dictaphone's Thought Tank 193. A computer-controlled remote access dictation system which automatically distributes workload to the most available typist. And checks output rates, input quantities, priority demands.

The 193 has all the dictation features you'd expect from a Dictaphone Thought Tank system. Full remote controls. Immediate, almost simultaneous transcription. Compatible with PABX or PAX telephones or special Dictaphone input stations. Plus modular construction for up to

10 separate transcription units per console. Timemaster logging and transfer options to and from cassettes. Dictaphone Thought Tank System 193. For word processing efficiency. Dictaphone Company Ltd, Alpertown House, Bridgewater Road, Wembley, Middlesex HA0 1EH. Tel: 01-903 1477

Please push me more information on the Dictaphone System 193 — the best word in contained Word Processing systems.
 Name: _____
 Company: _____
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FT 10 79
Dictaphone
 The voice of word processing

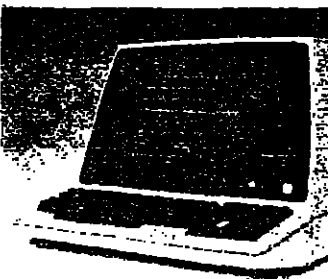


Logica's VTS-100 stand-alone word processor system

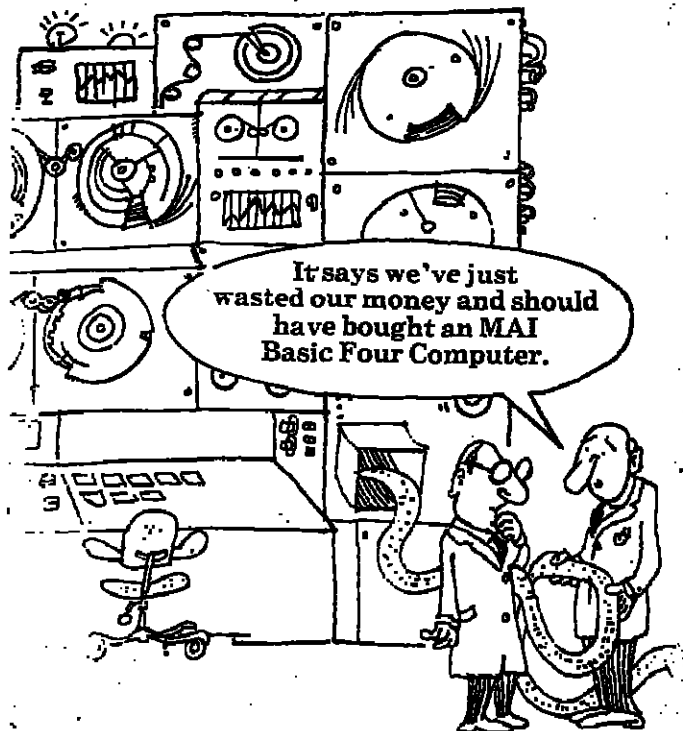


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Small computers attract businessmen's interest

TEN YEARS ago the idea that computers for personal use could become common would have seemed implausible to most people. Even five years ago there were many who were sceptical. And even now, there are those who find it surprising that personal computers should be classed as office equipment.

The surprise may indeed be shared by some of those who pioneered the idea of small, compact machines for personal use. For it was first envisaged that the majority of sales would be to hobbyists, scientists and educational establishments with a gradual build-up of interest from the domestic consumer. The business market, after all, was well catered for with a variety of multinationals and smaller companies competing hard in the market.

However, small businessmen have recently become alert to the fact that a "home" computer costing perhaps £1,000 to £1,500 may be powerful enough to meet all his needs and has the advantage of being cheaper and probably more compact

than most systems designed for business use.

Until recently, the home computers on the market suffered the disadvantage that they did not come complete with a range of standard programs suitable for business use. However, this has been remedied by a number of small software companies which have seen the opportunities of turning these cheap computers to everyday business use.

At the cheapest a home computer can be bought for a few hundred pounds. But these machines are only suitable for the hobbyist or someone with electronic skills. They consist of a computer processor and memory units which can be wired up to a domestic television set and a keyboard. They tend to be awkward to use, difficult to service and suffer from a profusion of trailing wires.

Connect

These simple machines are based on standard microprocessors, which are the calculat-

ing part of a simple computer etched onto a single tiny chip of silicon. These microprocessors needed to be connected to memory chips and to circuits which translate input and output signals into a form acceptable to the processor.

All these chips can be wired together on a single circuit board, which becomes a micro-computer board. Additional memory circuits can be added if desired by plugging in extra boards.

The idea of producing this type of computer in a commercially acceptable package has been pioneered by three main companies in the U.S. — Tandy, Apple and Commodore.

Tandy and Commodore supply their machines complete with a television screen, keyboard and cassette tape memory. But Apple has used a different approach. It supplies a typewriter-sized box with a keyboard which plugs into an ordinary colour television set. The fact that it can display information in colour has to be set against the extra cost and

the possible inconvenience of having to wire the machine to a television set.

Apple has achieved remarkable success in the U.S. and it is now being sold in Europe by IIT, under licence. Commodore has also had great success with a markedly different approach. It decided from the start to produce a self-contained machine which would be as simple as possible to use. Its PET looks like a typewriter with a small television screen mounted on top of it, with a conventional cassette player integral to the machine.

Tandy, which is the market leader in the field, produces a similar machine to the PET, although it is somewhat larger and has a keyboard separate from the screen monitor.

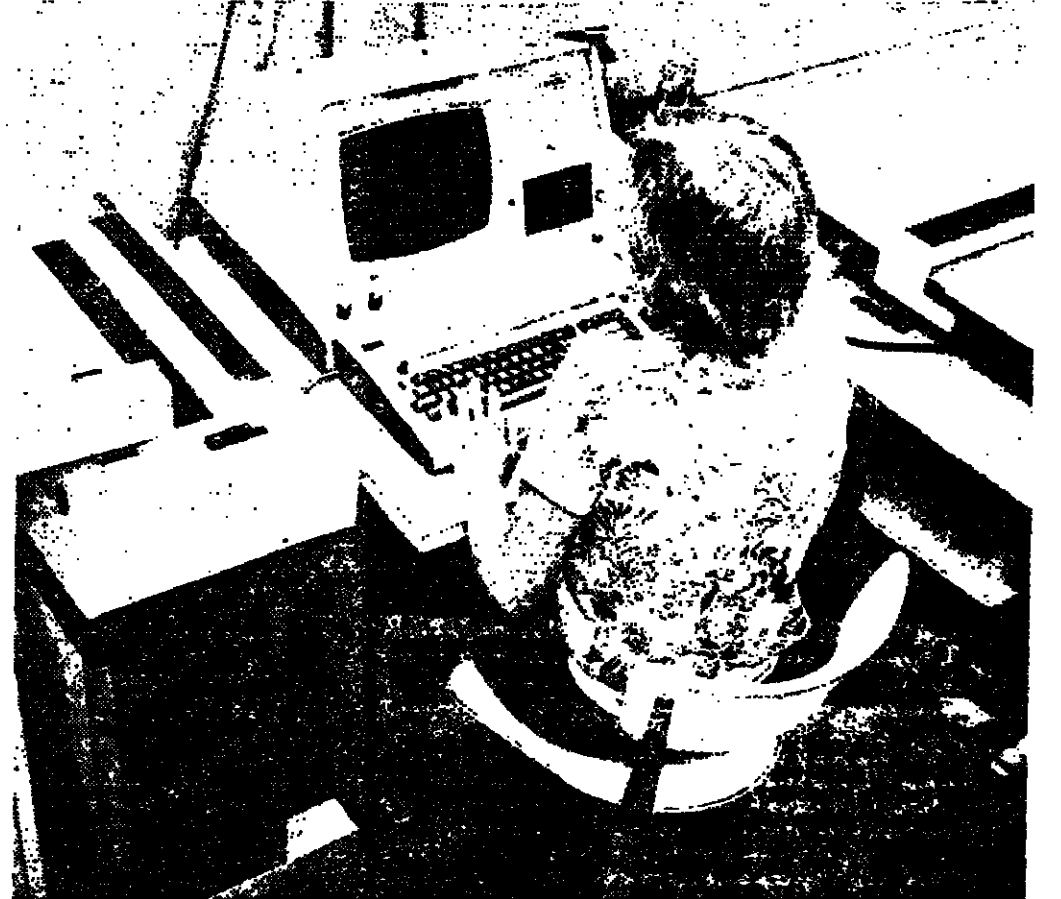
All the first generation of personal computers has used cassette tapes for the storage of information and programmes. Usually, a programme is loaded from the cassette into the machine's own memory before the start of an operation. Then data may be loaded in a

similar way. The use of cassettes is satisfactory for some applications although the loading and unloading process is rather slow, but it is now considered inadequate for general business use.

Order

The reason is that files stored on a cassette can only be processed in the order in which they have been stored unless the whole file is unloaded into the computer and then re-recorded on tape. In many business applications, however, it is desirable to jump about the files in order to pick out items from different places for processing and then to rewrite only that portion of the file which has been updated.

For this purpose, the files must be kept on a spinning magnetic disc—either a "floppy disc" or a "mini disc." These discs which look like small gramophone records are tracked by a head which can either extract information or re-record.



A keyboard operator at Atworth Land Surveys enters data on to a Wang 2200 computer. Their system also utilises a 2231-L matrix printer (left) and a 2252-B plotting table

The units are so designed that the head can fly to any portion of the file in a split second. Disc units which are used on almost all larger business systems are still more expensive than cassette recorders, but they are now being reduced in price so that they can be added to the so called personal computers.

Before long, all personal computers can be expected to have disc units as at least an optional and possibly a standard extra.

At the same time the falling cost of semiconductor components will give personal computers ever more computing power and higher density memories, which will enable them to perform most ordinary office tasks.

The addition of electronic printers will be the next stage, followed probably by facilities which allow them to communicate. When this happens, personal computers will have become very similar indeed to the simpler office systems and to so-called "intelligent" computer terminals.

Indeed, the personal computer is only one of several strands of evolution of small computers, which most experts believe will

quite rapidly converge. Intelligent terminals will gradually increase their computing power, memory and peripherals, until they become computers in their own right, connected umbilically to a larger machine.

Small business machines, designed originally to replace electro-mechanical accounting machines, are similarly developing fully-flexible computing capabilities.

television set. The process has already started with the development of Prestel, the Post Office's information service, which allows words and figures to be displayed on a domestic set. The addition of a microcomputer chip and memory will soon be comparatively simple. It will then be possible to buy a television set which needs only a keyboard and perhaps a cassette deck or disc drive to convert it into a computer.

This is perhaps the most interesting of all the lines of evolution because, if home computers could be produced in the large volume which a consumer market would provide, the price would probably fall quite rapidly.

This is a possibility which particularly interests Texas Instruments, the Dallas semiconductor company, which has recently moved into the personal computer market aimed deliberately at the consumer market.

It is clear, however, that there is very little difference between machines aimed at consumers and those for the business market. It is mainly a question of marketing, programming and price.

Erode

From a different direction, hand-held calculators for scientists and engineers are evolving into small computers with the addition of magnetic strip programmes and printers. Since a complete microcomputer with memory and input/output circuits can already be etched on to a single chip, there seems no doubt that the distinction between hand-held calculators and computers will erode even further. Specialist instrument manufacturers like Hewlett Packard already produce personal computers with a very high level of sophistication.

Finally, personal computers will evolve by the addition of extra circuits to the domestic

Max Wilkinson

Dictation equipment becoming smaller and more specialised

ONE FEATURE of the micro-electronics revolution is that everything is becoming smaller. This is particularly evident in the development of dictation equipment with manufacturers placing increasing emphasis on the small size of their models.

The need for portable, lightweight and small dictating machines is reflected in the way this sector of the market is growing, compared to other sectors and represents nearly a quarter of all units now being sold.

About 20 manufacturers (including IBM, Lanier, Philips and Dictaphone) all offer hand-held, cassette recorders which use one of three types of cassette.

matchbox and can record 15 minutes each side, although some brands can record a total of 40 minutes.

The third alternative: the micro-cassette, which is slightly smaller than the mini-cassette, is usually designed to record 30 minutes on each side. The micro-cassette was developed by the Olympus Optical Company which use the brand name of Pearlcor.

However, at the beginning of October, Sony (which only entered the dictation equipment field in the UK in March) has introduced what it claims to be the smallest hand-held cassette recorder in the world, using the micro-cassette.

Furthermore, this diminutive

Speeds

A feature of the tiny BM500 dictation machine (which measures only 60 mm by 108 mm by 23.6 mm) is that it has two tape speeds which allow up to two hours' recording time on the micro-cassette.

Furthermore, this diminutive

recorder has all the features which come with models of far larger size, such as cue, review-and-pause facilities, battery level indicator and a digital counter.

The emphasis has been to encourage managers and other businessmen who travel a lot to keep up with the administrative side of his work while "on the run." This means that the portable models offered by the manufacturers must be compatible with machines sitting permanently on his secretary's desk.

However, machines which reside in the office now tend to be made to fit one of two distinct applications. A typist may have a machine used solely to playback tapes or she may have a recorder used for a far wider range of services, such as telephone message-taking, while the equipment forms part of a centralised dictation system controlled by typing pool staff.

Manufacturers are tending to push the concept of centralised dictation systems, mainly because this fits in with the concept of the electronic office system which is normally considered to be centrally computer controlled.

It may also encourage companies to consider how they can adapt office management to computerised ways of working. Dictation equipment, though a small part of the office equipment market, could offer manufacturers the opportunity to spread the gospel of word processing and other electronic gadgetry.

An example of this type of thinking can be found in a system which is offered by Dictaphone called the Time Master.

This is based on a micro-processor design and has the ability to log in each piece of dictation as it is received with details of the author's name, the type of work, how much dictation there was, and which typist received it. According to the company, not only can it provide reports on the dictation work in hand but it can also link up with other forms of dictation input in work groups and word processing centres.

Dictaphone have ensured, of course, that all their different types of recording equipment are totally compatible—the Time Master, if used with the company's multiple cassette recorder, can identify the cassette on which a particular job is recorded. When a completed cassette is ejected from the machine for transcription, the Time Master prints a self-adhesive label that includes detailed information on each job in the cassette.

Summary

The system has a printer which can provide a summary of the dictation centre's workload. Each system can have up to four recorders connected to it, although multiple installations are possible in order to handle a greater number.

The emphasis is on integration dictation with word processing centres. Dictaphone, for example, places importance of the data such centralised dictation systems can give to supervisors.

The movement of systems to fulfil more than one office function, thus encouraging companies again to work towards the electronic office, is also a feature of developments

in the dictation market.

Sony, for example, which is a relative newcomer to business systems, has not yet decided to rehash such sophistication for its transcription machines, although developments are probably in the pipeline.

Its most complex machine on the European market is called the BM720. This has an electronic indexing system—controlled by the inevitable micro-processor—which allows an audible mark to be put on the tape, indicating the end of an item.

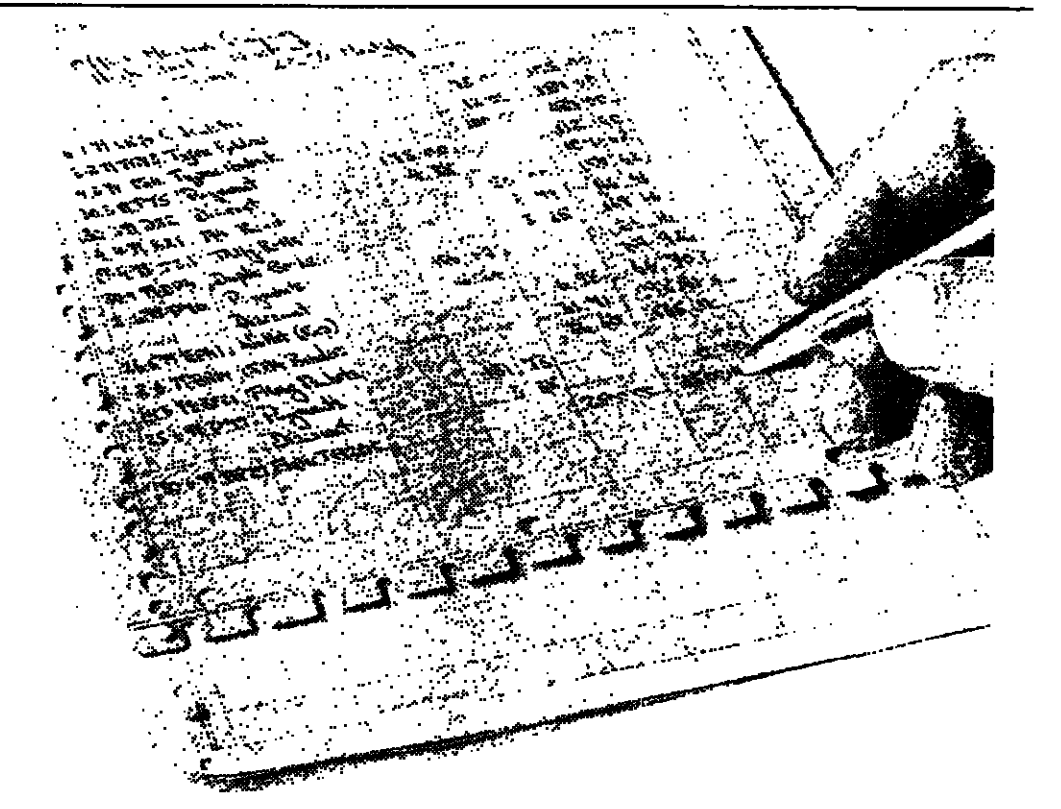
The company claims that the BM720 is half the size of similar machines and also has a telephone record facility, as well as the variable tape speed which allows the cassette to have a longer playing time.

Britain's dictation equipment market is now worth around £18m a year, but this is relatively small compared with the U.S. market of over £120m. In centralised office systems, Dictaphone is the leader, but the company is number two when considering systems such as pocket machines and desktop equipment, as well.

Philips, the Dutch electronics group, is the overall leader of the UK market. In the U.S., however, Dictaphone and Lanier lead, with Sony now in third place, having about 15 per cent of the market. It entered the U.S. market only eight years ago.

The British market for dictation equipment is projected to more than double by 1983, climbing to around £40m, a trend which further opens up market opportunities for new companies with radical ideas for the dictation equipment sector.

Elaine Williams



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This diminutive new Sony micro-cassette dictating machine (model BM 500) is claimed to be the world's smallest micro machine with two speeds. On slow speed, one cassette gives two hours' recording time

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PHILIPS
 Data Systems

Need for strategy to integrate systems

IF ANYONE had doubts about the need for haste in fostering more interest in integrated office systems from potential UK manufacturers six months ago when the NEB was promoting Nexos, and GEC was in the throes of acquiring A. E. Dick, then the appearance of IBM's "Information Distribution Unit," the 6670, should dissipate them once and for all.

This machine (which measures a scant 78 by 40 by 27 1/2 ins.), combines text-handling, laser-printing, data and text communications and document-copying in its narrow compass.

It will take the text of a letter recorded on a magnetic card from a typewriter and re-print it in another format or one of eight other type fonts. It can take incoming text from a communications line, store it on a magnetic disc, or print it out. Data such as names and addresses and account numbers can be taken from a computer and merged into the texts of letters stored in the machine, and so on.

Limited

These machines can talk to each other or to the IBM's System 8 computerised office but since they cost over £50,000 each, they would appear to be limited to the offices of the larger IBM customers for the time being.

But compare that cost with the £300,000 worth of equipment installed in the first "electronic and fully automated" office at Micronet Inc's premises in the notorious Watergate Complex in Washington. There are more options there, including micrographics and optical character readers, but the differential is very high.

Significant in the list of participants are — AB Dick, Exxon through its Qwp Division, and Plessey Peripheral Systems.

All three are involved in one way or another with acquisitions or agreements that aim at what could be described as extended communications capabilities, with Plessey for instance now using a series of word processing components made at the Data Products Corporation plant at Irvine, California.

Aware

They all are aware that word processing is only a small segment of the office services market since they know the published statistics that secretaries and typists account for but 10 per cent of office costs while managers and professionals add up to a massive 60 per cent—office operations themselves accounting for between 40 and 50 per cent of the costs of companies right across the board.

It is obvious there must be an enormous market here for the equipment that will increase management's efficiency, apart from containing ever-increasing clerical costs. And this equipment inevitably must be that which permits faster communi-

ications, both with the outside world and with the accumulated knowledge of the user company. There is then scope for advanced integrated office systems which would have their fast facsimile and word processing functions, but also be capable of handling electronic mail, document storage and retrieval, the company's private telex system, other such public systems, central dictation control and—in the long run—voice and data communications via satellite.

In the groups mentioned above, only IBM is within striking distance of all these capabilities, but its competitors are well aware of that fact and moves are afoot to make business channels available on existing experimental and planned commercial satellite systems that could be used to support networks rivaling that of which IBM is a member.

Alliances

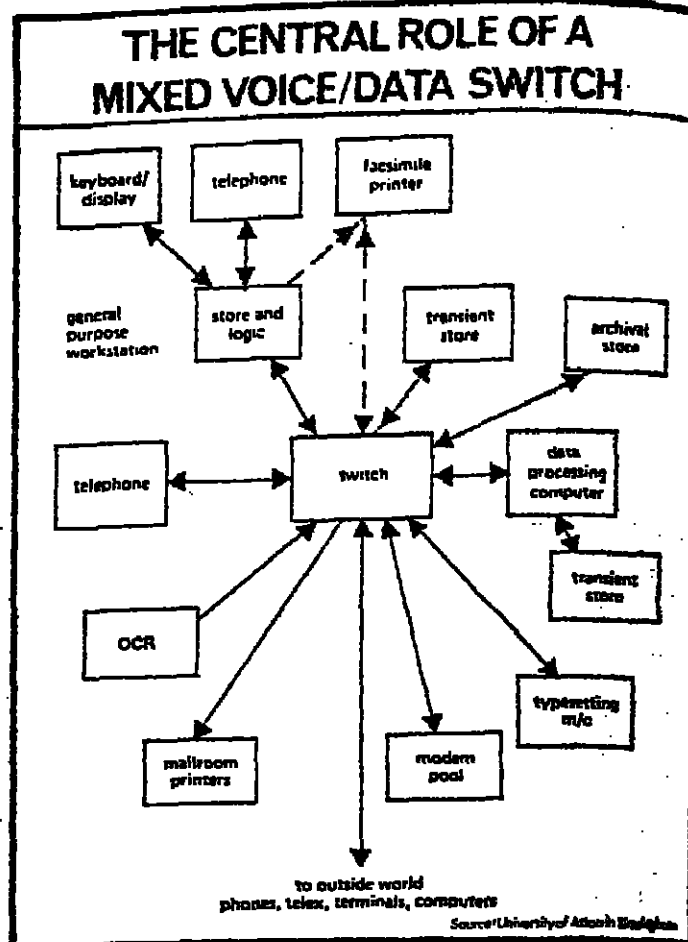
Pressure to move rapidly in this new area of advanced technology is likely to foster new alliances of which the mooted understanding between Andahl-Memorex and the Olivetti empire is only one. Clearly to encompass all the areas of expertise such fully-integrated business operations systems demand also requires the involvement of a company with huge research and development resources, or the closest collaboration within a group of powerful organisations that are leaders in their particular areas.

It is an interesting management technology exercise to speculate which of these approaches will pay off first.

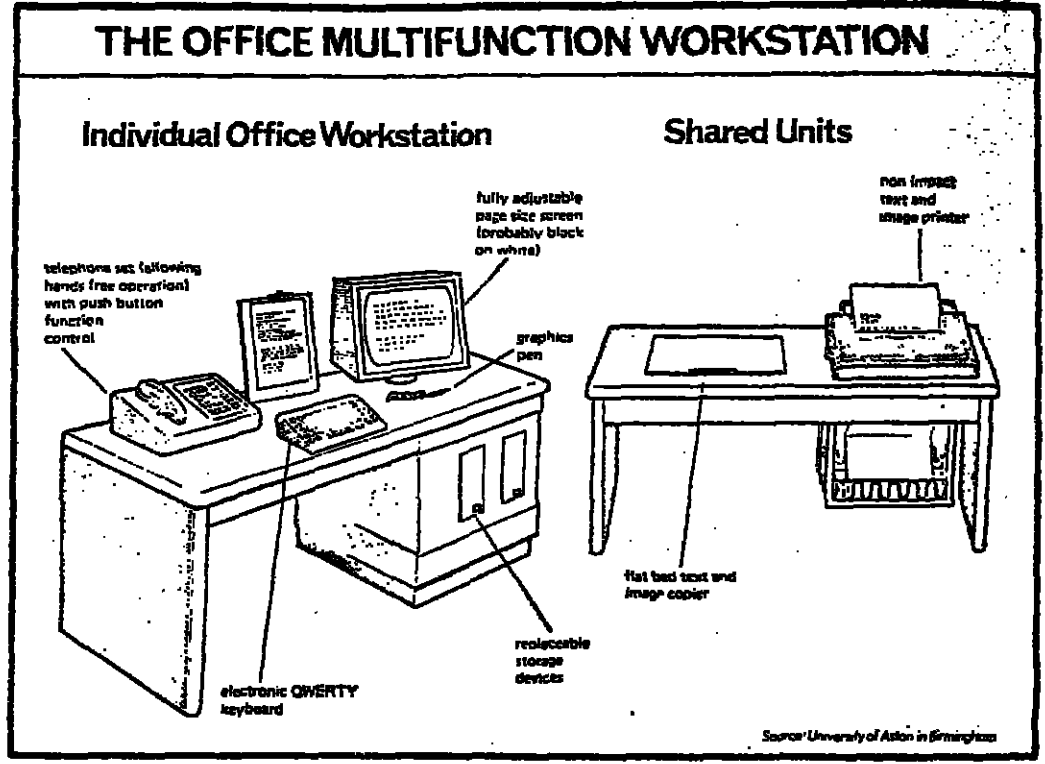
It is unfortunate, to say the least, in the present context that the new UK Government still has not clearly spelled out what it intends to do with the various activities backed by the NEB. The short, sharp, shock technique should be applied now, because nothing can be worse for staff morale and the confidence of potential customers than to allow decisions—that would stem naturally from political beliefs—to drag on for months.

And similar subjects are received in...

nal typing. Such documents are generally 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.



These diagrams give an indication of how an office of the future might look



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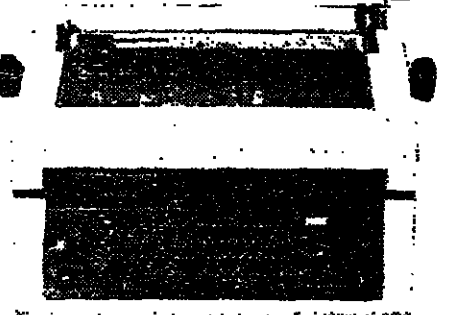
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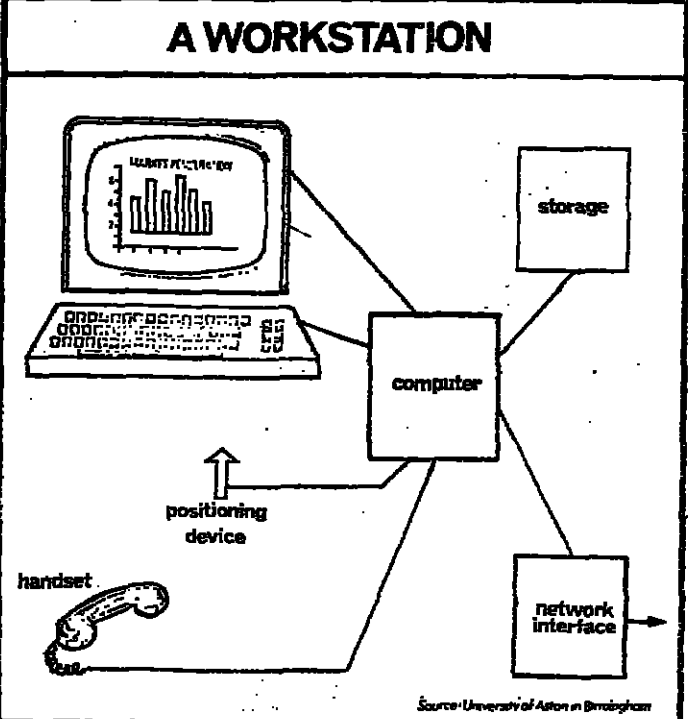
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Phone or write for a complete appraisal or a demonstration of the Adler SE1000 near you.

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ADLER
 FT23/10



A new microprocessor-controlled radio and inductive loop paging system with a wide range of standard facilities has been introduced by Multitone. Known as ACCESS 80, the system is designed to provide offices, industrial plants, hospitals and hotels with a fast, easy-to-operate and reliable paging service

and similar subjects are received in...
 nal typing. Such documents are generally 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

The Adler Text Editor. It never forgets what it's typed.

Once a letter or report has been typed on an Adler SE2000, it need never be typed again. No matter how many corrections, additions or deletions you want to make later.

This is because the SE2000 has a mini-diskette 'memory' that can store everything you type. When you want to amend anything, you simply type the revisions. And let the Text Editor type the rest automatically.

You can imagine how many hours that saves. Not only in correcting reports and letters. But with variable repeat typing of contracts, instruction manuals, stock lists etc.

Given a minute's thought, you can probably think of half-a-dozen uses inside your company.

Naturally, the SE2000 will also automatically type as many copies as you want. So much more personal and more attractively presented than a fuzzy photostat.



How easy is it to operate? If a typist can handle an electric typewriter, she'll have no problems learning to use (and appreciate) the Text Editor. Bring her along to a demonstration.

Unless she's too busy revising and retyping your reports the old way.

It's all on the OEM Stand at the IBS, Birmingham National Exhibition Centre, Oct. 23rd - Nov. 1st! Alternatively...

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ADLER
 FT23/10

OFFICE EQUIPMENT XI

Japan set to step up export drive

THE EFFECT of Japanese exports has been felt forcibly in several sectors of the world's office equipment markets like plain paper copiers but the major threat is probably still to come.

This statement can be made with some confidence for three reasons. The first is the explicit intention of the Japanese, which is to expand production of computers and related office equipment and to increase the proportion of exports. The second is the Japanese record in the parts of the world office equipment markets which they have so far attacked, notably copiers,

calculators, typewriters and various peripherals. But, third and most compelling of all, is the argument based on the thrust and achievement of the newly emerging Japanese semiconductor industry.

The semiconductor industry depends upon the co-operation of the major computer companies — Fujitsu, Hitachi, Toshiba, Nippon Electric (NEC) and Mitsubishi under the guidance of the Ministry of International Trade and Industry, which has spent about \$500m, or more, on the development of advanced semiconductor techniques.

The main thrust of this programme was directed originally towards the production of high density digital circuits for computers. The aim was to enable the Japanese computer manufacturers, led by Fujitsu, to keep level with or possibly overtake the research of International Business Machines. IBM at present enjoys about a third of the Japanese computer market, with Fujitsu and Hitachi in second place, each with just under a fifth of the market. The semiconductor research programme has so far been remarkably successful. It enabled Fujitsu to be the first company

in the world to produce sample quantities of a 64,000-element random access semiconductor memory (64kRAM). This was a considerable achievement even though the Japanese components seem likely to be overtaken by American rivals which are simpler to operate.

Moreover, Fujitsu, with the help of its U.S. associate Amdahl, has been able to produce a large computer which for a while surpassed the best that IBM had on the market. IBM has recently launched its 4300 range which offers a higher performance per dollar than any other medium sized computer, and it is expected to follow this with a similar jump ahead at the top of the range. Nevertheless the Japanese, if not demonstrably out in front, are at least up with the leaders in the computer industry.

Underpin

The semiconductor technology which has enabled the Japanese to keep pace in the computer industry will also underpin their position in most other sectors of the office equipment market, especially when it can be allied to the high quality of Japanese precision engineering.

Estimates by BA Asia, a Bank of America subsidiary, indicate that in the first half of 1978 production of integrated circuits in Japan was running at 85 units a month, a 25 per cent increase compared with the previous year and more than 50 per cent up on the figure for 1976. Japan is gradually becoming self-sufficient in the production of integrated circuits, while at the same time developing the high-density circuits which will be the basis of much of the next generation of office equipment.

So far exports of computers have been relatively small. The Japanese have found it very hard to match the entrenched position of IBM, and at the same time they have discovered that computers require very much more complicated marketing techniques than those which have proved so successful in consumer electronics, largely because of the difficulties of producing software in a foreign language.

Deal

Almost all sales of larger computers have been made in association with other companies. Fujitsu has sold its largest machines through Amdahl in the U.S., and more recently it has concluded a deal with Siemens in Germany for marketing the same machine. Meanwhile Hitachi has been selling its machines through the U.S. leasing company IteL.

Recently, several Japanese companies have started to try to get into the U.S. market for small office systems by selling direct, but so far with limited success. Mitsubishi Electric is selling its Melcom 80 Model 18 small office systems through Melcom Business Systems in Los Angeles. So far it has sold only a few and has received about a dozen inquiries.

Meanwhile, Nippon Electric introduced its four Astra series office computers on the east coast through NEC Information Systems in Lexington, Massachusetts.

Melcom found some difficulty in adapting to the U.S. market because it requires standard packaged programmes rather than special customised software, which is the rule for such systems in Japan.

However, Melcom believes it has now overcome the initial difficulties and is looking for sales of perhaps 300 systems by 1980. NEC is hoping to sell more than 1,000 Astra computers in the U.S. during the next three years. It seems likely that the Japanese, because of the fear of retaliation from highly efficient competitors, will move cautiously into the U.S. market for small office computer systems. Apart from IBM and the other major computer manufacturers, the small systems market is bustling with young and aggressive contenders. Hewlett Packard is moving in with great assurance with a high quality range of minicomputers and peripherals. Texas Instruments and National Semiconductor are pushing hard, and there is also a range of smaller companies which know the market better than the Japanese.

Steady

It seems likely, therefore, that the Japanese will go for steady rather than spectacular progress in the computer market while concentrating their forces on other parts of the office equipment market which are not as competitive. The problems of producing applications software.

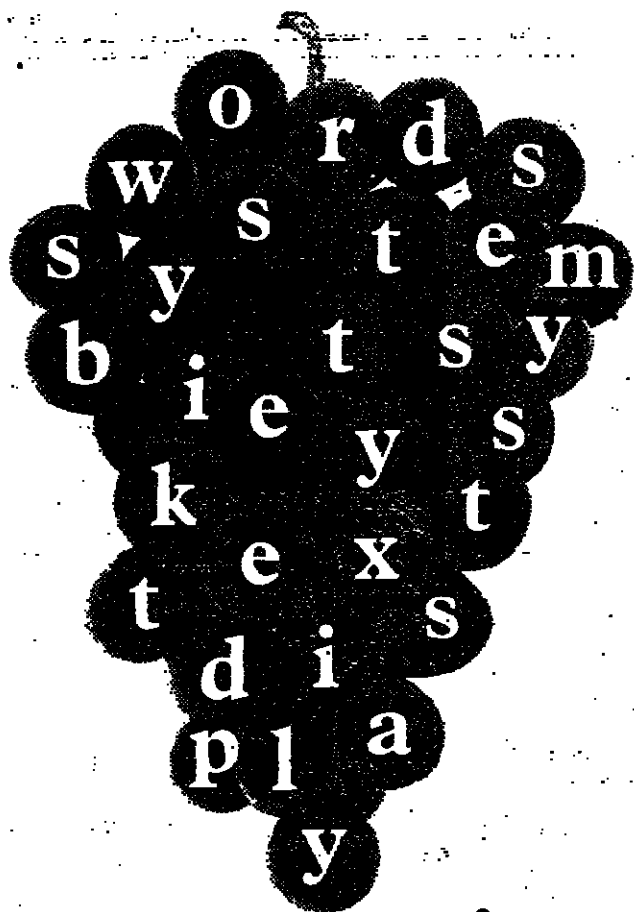
Sooner or later, the Japanese are likely to enter the fray with a fully digital electronic private branch exchange for export. However, for the present, the restrictive rules of most post office administrations are likely to remain a barrier. Until these rules are relaxed, therefore, the Japanese will probably concentrate on smaller items, such as facsimile transmission equipment. Sales of facsimile machines overseas have been relatively small partly because of the slowness of obtaining international agreement about standards of transmission for the faster machines. However, there seems little doubt that this will be a growth market which Japanese companies, notably Ricoh, Fujitsu and NEC will be well placed to exploit. The complications of the Japanese characters should continue to help to give these companies the advantage of a large home market from which to export. Japanese machines marketed by Kalle Infotec in Europe are already beginning to establish a foothold in what is so far a very small market.

In copiers, Japanese companies led by Ricoh, Canon and Mitsubishi, are continuing their advance based on small machines, and it is likely that they will be among the first to produce so called intelligent copiers which scan documents and convert them into electronic form. Such copiers, it is believed, will have a key place in the more advanced electronic office system of the future. The race to produce a low priced machine of this sort has yet to be won. It is easily possible that a Japanese company will win it.

Max Wilkinson



Production lines for Brothers typewriters at Nagoya, Japan



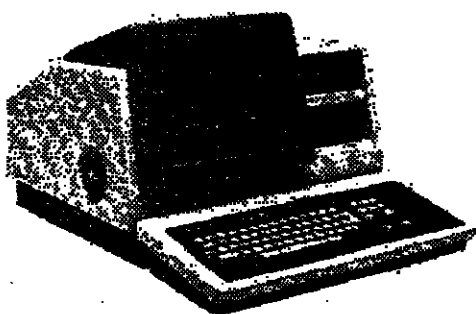
When your expansion plans bear fruit it won't leave Bitsy lost for words.

When buying a Word Processor, don't make the same mistakes some companies made when buying their first computer. They rushed into a system that was fine for immediate needs. But couldn't cope long-term with their expanding workload.

Quite an expensive mistake. But one that needn't happen with Word Processors when you buy an Adler. Because our Bitsy series has a diskette storage system that can be added to over the years.

In fact, it grows step-by-step with your company.

Bitsy is a fully-fledged Processor with visual display that lets you read, check, correct and edit text before print-out. It stores everything it types on a



diskette. So it saves hours on repeat, revised or variable typing.

All of which helps you understand why people are calling Bitsy the last word in Word Processors.

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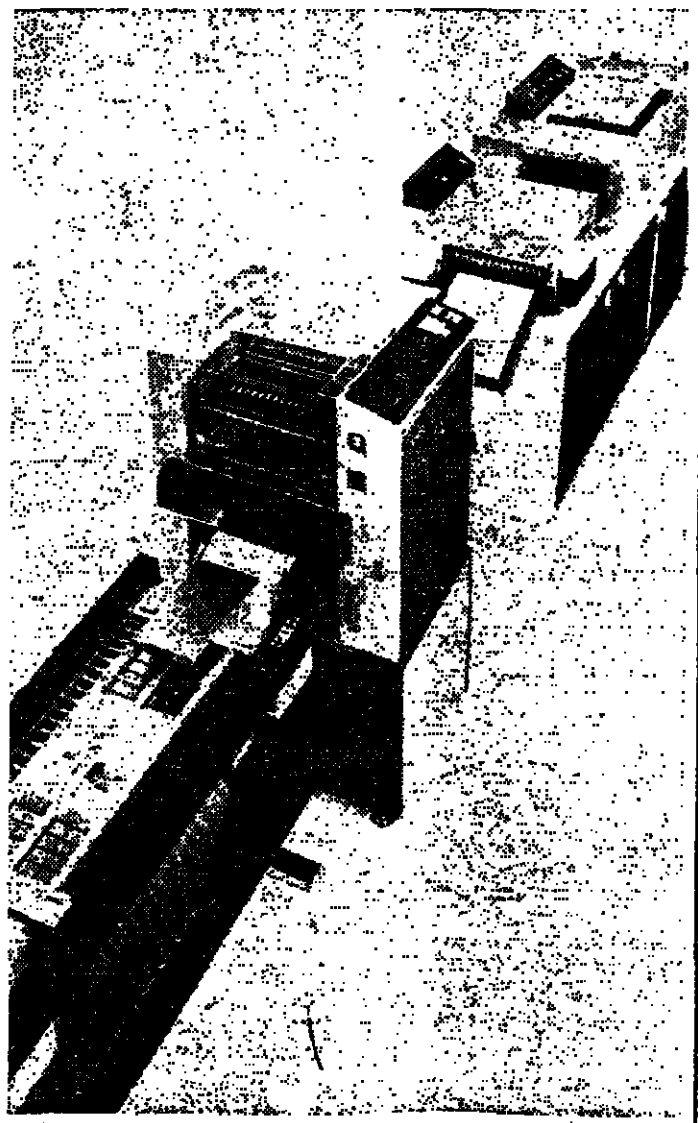
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FT23/10



Microprocessor technology is incorporated into Ricoh's new offset printing system, the AP 2600 (above), which is featured at this year's International Business Show

"THE BOARD WOULD LIKE YOUR VIEWS ON WORD PROCESSING.

NO HURRY. END OF THE WEEK WILL BE FINE."

The man who buys the office equipment never has an easy time of it. Not only is he supposed to be a know-all, he's also expected to have views.

Currently, there are two words calculated to send a shiver down his spine.

"Word Processing." This catch-all description relates to automatic text typing and automatic text editing and revision.

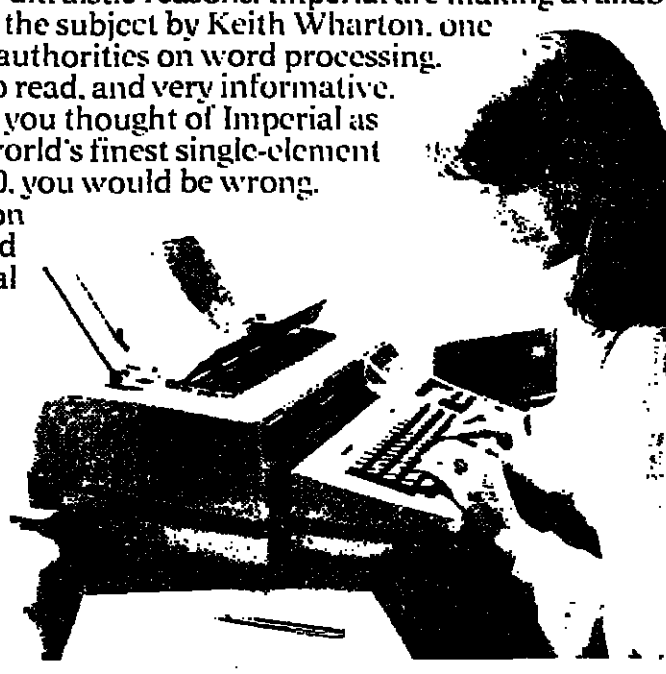
The hardware is available now. Tomorrow it will be as commonplace as an ordinary electric copier. But today, what is it? What does it do? What does it cost? What benefit is it? Do you need it?

For not altogether altruistic reasons, Imperial are making available an unbiased report on the subject by Keith Wharton, one of the world's leading authorities on word processing.

It's free, it's easy to read, and very informative.

And by the way, if you thought of Imperial as just the name on the world's finest single-element typewriter, the SE5000, you would be wrong.

Our name is also on the world's finest Word Processor. The Imperial SE6000.



Imperial TYPEWRITERS

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Ever been responsible for office furniture? Ever noticed how everyone from the Managing Director through the accountant down to the secretary suddenly becomes an expert?

Worry no more. Van Blerk systems furniture range stops the arguments.

There are various types of tables, drawer blocks, tabletops, auxiliary cabinets and accessories.

In fact, everything to satisfy the Board and the typing pool.

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then start life again in another. In a completely different guise. That's flexibility.

All this efficiency could lead to dullness. It doesn't. Because the design, the quality, the finish and the taste of Van Blerk enhances the most functional or the most flamboyant office environment. That's beauty.

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FT23/10

OFFICE EQUIPMENT XII

Telecommunications changing office work

TELECOMMUNICATIONS is one of the two technologies which are now, little by little, radically changing the nature of the office and of office work: the other element is the computer.

For much of its existence, the telephone has been essentially an adjunct to office work, rather than an integral part of it. When, 100 years ago, the chief engineer of the British Post Office said that telephones were all very well as a novelty, but he preferred to send messages by couriers, he was reflecting an extreme conservative view which has only gradually broken down. Even now, many messages which could be sent by telephone are

posted: the chief message carrier and information storer in most offices remains paper. This fact will be slow to change, not only because of conservatism: paper retains many qualities of convenience which electronic systems, especially early ones prone to technical or human error, cannot yet beat. But it will change, because the amount of information which must now be brought to bear on most bureaucratic processes is increasing, and new technologies, based on the telecommunications system, are now increasingly capable of coping with it.

The office telecommunications market has thus, in the past five

years, become the focus of intense interest on the part of electronic and communications companies, many of which have developed systems, indeed theories, to fit the process of change: by trades unions, who see the nature of work altering much more rapidly than hitherto; and by governments, which are drawn in because of the importance of the sector economically, and by the social changes which it ushers in. At the same time, and making many of the developments possible, microelectronic technology has speeded up the development and proposed new configurations for office work.

The diagram of the "office of the future" which accompanies this article describes an environment which would scarcely have been comprehensible to office workers as little as ten years ago. In the centre of it, and central to it, is the private automatic branch exchange (PABX) — whose efficiency and facilities very largely determine the scope of the systems in the office itself. It is a graphic representation of the growing importance of private telephone systems.

The PABX is crucially important because it is the key to the range of equipment it controls, and because it is a complex and expensive piece of hardware. Beyond it, the equipment "manufacturers" market burgeons. There are the telephones themselves, now increasingly in offices, with loudspeaking, automatic switching and holding facilities; there are the work stations — visual display units with keyboards and telephones, the word processors, which may either be stand-alone or linked to the communications system so that they can communicate with other processors either in the same office complex or in remote locations; electronic mail equipment, which is likely to be facsimile or high-speed facsimile equipment linked into a phone line.

Then there are the Telex machines — and the range now includes high-speed equipment and various types of programmable machines; and the data processing equipment, which includes modems (modulators-demodulators for transforming digital data from digital to analogue for transmission, and vice versa). These are the elements of what the Canadian company, Northern Telecom, calls the "intelligent universe," and what the Japanese company, NEC, calls "C and G," or communications and computer.

The growing importance of the telecommunications part of the "intelligent universe" means that the old regulatory frameworks in which the old technology was contained is

now under severe strain, and is indeed buckling in a number of countries.

The rapid progress in a number of communications-related technologies, especially in the all-important field of microelectronics but also in laser beam technology, has meant that telecommunications administrations (PTTs) of regulated monopolies, such as AT and T, found it extremely difficult to offer the full range of equipment and services to satisfy their business customers' needs quickly enough, if at all. The customers then saw their monopolies as inhibiting, and have lobbied strongly against them.

Flurry

Naturally enough, the process started in the U.S., when the Carterphone verdict of ten years ago allowed the interconnection of non-Bell apparatus to the Bell network. This has been followed by a flurry of activity, which continues — the main aim of which is to allow greater liberalisation in the system, even to the extent of challenging what was assumed to be the "natural monopoly" of the Bell long lines.

Long lines are, indeed, a good example of technology destroying such a presumed monopoly, for it was only so while copper cables were the only form of transmission. Now, with microwave, satellite and fibre optic (laser) transmission coming on stream, there is no "natural" reason why Bell should control everything.

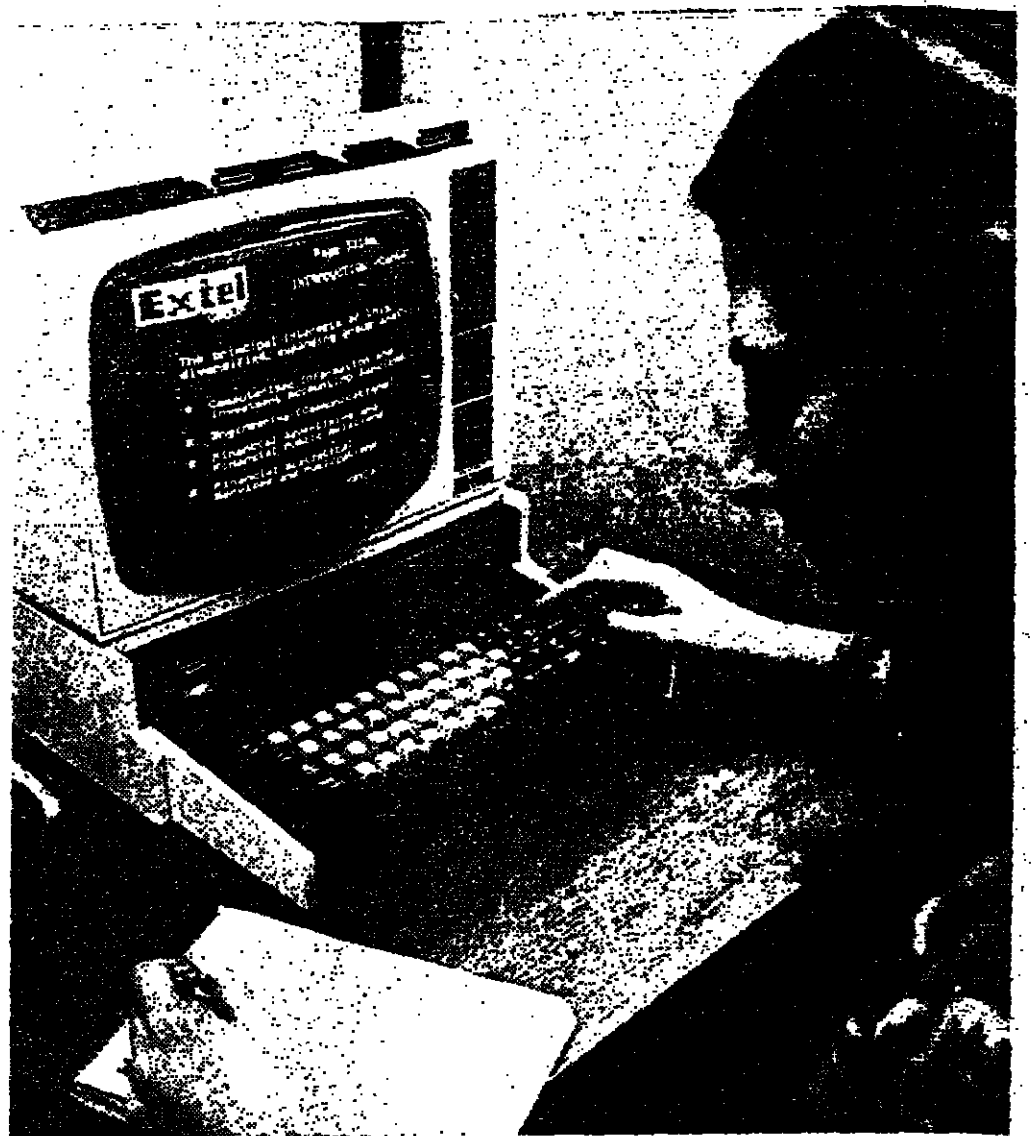
Thus, companies such as ITT and, possibly more alarmingly, previously non-communications companies such as IBM, are moving in massively to satellite and microwave, as well as into more and more of the subscribers' apparatus markets. Bell has had to become much more market-oriented to compete and ride the incoming wave, while at the same time attempt to defend that part of its operations — as the retention of Western Electric, its manufacturing arm, threatened with divestiture — which it sees as essential.

The same pressures have been felt in Europe, though more muted. In this regard, the UK is the first to react, largely because a Conservative Government, elected in May of this year, has seen a liberalisation of the telecommunications monopoly as an early test of its free market principles. Sir Keith Joseph, the Industry Secretary, announced some two

months ago that he was keen to see subscribers' apparatus put on the open market, though he would await Post Office proposals. For its part, the Post Office's telecommunications business had to some extent apparently anticipated Sir Keith's announcement by undergoing a Bell-like transformation and organising itself into market- and product-oriented groups.

In the rest of Europe, the stirrings remain below the surface. In France, where there has been a veritable explosion of telecommunications activity in the past three years, private companies have benefited greatly — directly in the domestic market, indirectly in the export ones — by Government spending, and are less likely to feel constrained than exhausted by the PTT's demands on them. In West Germany, the Bundespost, far from relaxing its monopoly, is examining ways in which it may extend it: while in Italy, the intermingling of State and private enterprise looks likely to continue.

So the "office of the future," and the present and presumed demand for private telephone systems, has already had some impact upon the shape of the industry. How is it likely to continue to do so?



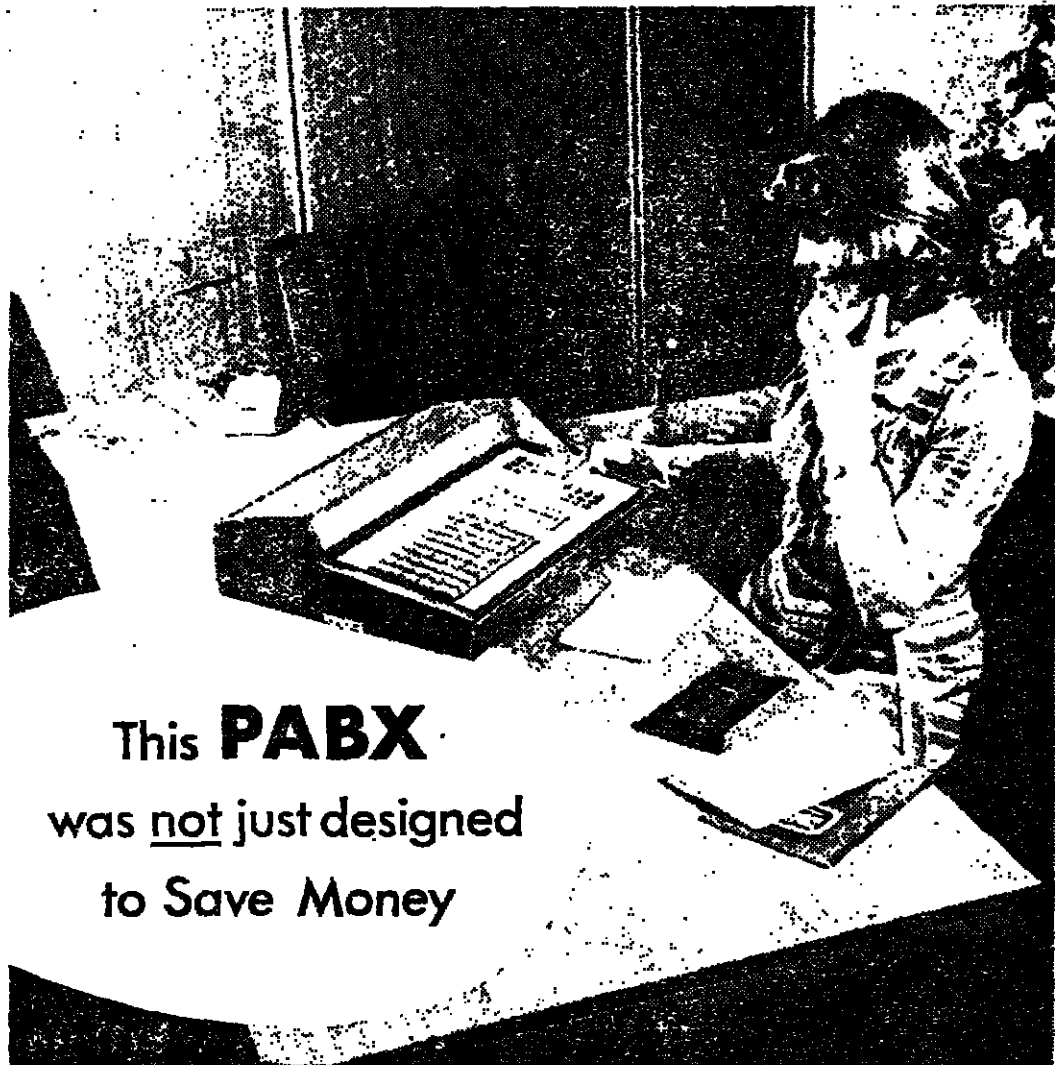
Office staff can now call up Viewdata information over their telephones and have it displayed on a television set. Among the chief attractions of the service is that it makes available virtually limitless information on a wide range of subjects — from stock market prices to travel timetables



Using an automatic message-switching system, the DSX-40 from Telephone Rentals, a supervisor directs an incoming message — displayed on the VDU — to the desired receiving terminal.

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Internal telephone communication. Key pad or dial. Hand held or Direct Speech. From 10-8000 exts.
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Including Flexible Working Hours.
- 4. Internal Broadcast Systems
Microphones Amplifiers and Speakers.
- 5. Ericall Contactor System
Electronic Staff Location and Alarm.
- 6. Fire Alarm Systems
Smoke/Heat detectors Break glass contacts Tone Sounders/Bells.
- 7. Computer controlled Monitor Systems
Collection, processing and presentation of Alarm signals and other data.
- 8. Rental Facilities
10 year or short term contracts. Competitive terms. Also leasing or outright purchase.
- 9. Training
as necessary for PABX operators and VDU users.
- 10. Regional HQs
Seven headquarters in UK. Supervise installation and maintenance.
- 11. No-cost Survey
by Thorn Ericsson consultants will help find your best package.



This PABX was not just designed to Save Money

but its sheer efficiency cuts costs 4 ways

Thorn-Ericsson build very good telephone systems. Using the most modern techniques aimed at giving outstanding service, a Thorn Ericsson PABX also saves money. Today it is a great deal of money.

The swift, efficient performance first of all reduces STD time, cuts down on phone bills. The compact crossbar exchanges save many feet of valuable floor space. The neat, automatic, press-button, operator's console leaves operators time to spare, time to perform other useful duties.

Every telephone is in split-second touch with the P.O network but certain extension can be barred automatically from international, trunk or even local calls and the saving on unauthorised calls can be astronomical.

With their extensive know-how and technical expertise who better to give your whole telecommunications system a reassessment. Contact the Thorn-Ericsson experts for a complete no-obligation survey.

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Make appointment for our survey

Also details of terms ① 2 3 4 5 6 7 8 9 (circle)

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Position _____



Although launched only last year, sales of the Unimat range of private telephone exchange (PABX) equipment have reached a total of 1,800 orders, with more than 800 systems in service in Germany, France, Belgium and the United Kingdom, according to ITT Business Systems.

As with all the Unimat PABX "family," the Unimat 4080 (above) uses an advanced MOS cross-point specifically designed for telephone applications and providing high quality for speech traffic and utilises, for control, a series of distributed micro-processors.

ITT Business Systems add that all modern PABX facilities are provided, which enhance not only user-convenience but permit control of communication costs through such features as automatic recording of traffic charges, trunk barring, short-code dialling, follow-me and last number repetition.

"Our accounting system just couldn't keep up. So I talked to Philips about a computer."

When the invoicing gets a bit later every month, and you never see a debtors' listing till it's out-of-date, you know it's time to look seriously at today's business computers.

For £44 a week, Philips' new computers will take over all the routines and give you more time to get down to business. That's less than the cost of a clerk, yet Philips' computers handle the work of three.

How do they help? For a start, you know your exact financial situation every day. You know who owes you what, why, and for how long. All your payroll, ledgers, invoicing, stock records and VAT take minutes instead of hours — with accuracy guaranteed.

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OFFICE EQUIPMENT XIII

Automation still in its infancy

THE FUTURE in the market for office equipment is so much thought about by companies that they have coined phrases for it—it has become a semi-formalised discipline. "Office of the future," "office automation" or "OA": all are used to describe a new context for office work—but what kind of future is envisaged by these powerful companies, whose strategies will shape the lives of those workers, whose lives will be largely spent in offices?

First, it is a future which is already partly here. The "office of the future" is not to be a sudden creation, parachuted into mouldering bureaucracies; rather it is a set of techniques, systems and machinery which is inevitably modularly progressive in its application. Initially, the electronic typewriter re-

places the manual: the head office acquires a computer division to handle records, payroll, accounts; more and more filing systems become computerised: the computers are distributed throughout the office branches: the electronic typewriters are replaced by word processors... and so on.

The time such a process is likely to take will be determined by a large number of mutually dependent variables: the nature of the office work itself; the amount of capital which can be devoted to automation; the level of perception of automation's usefulness; the attitude of managers and employers to automation; the level of unionisation in the office, and the implications of automation on employment and skill patterns. In general terms,

however, we may say that, apart from a few companies, office automation is still in its infancy. A set of figures are often quoted as an illustration of this fact. In the U.S., the amount of capital behind an agricultural worker is between \$40,000 and \$50,000; in industry, between \$20-25,000; in the office, between \$2,000 and \$3,000.

These figures are given point when taken together with a further, well-known set: that is, over the past 10 years, while the workers' population has increased by 6 per cent, the growth of office staff in Western Europe and the U.S. has been around 45 per cent. Yet where general productivity has gone up by 80 per cent in that decade, office productivity has gone up by only 4 per cent. In short, management has identified the office as the area for automation, and—as we have said—the process has already begun.

Second, it is a future which will be in an important sense "technology driven." The developments in the computer since its arrival on the scene in the late 1940s had, 20 years on in the late sixties, produced a profound, though unnoticed change in office work. It was unnoticed because the bulk of clerical jobs were relatively unaffected, and office employment continued to rise both relatively and absolutely.

This fact has given rise to the notion that since computers seemed to change little—despite the grandiose forecasts—then microcomputers will change little either. The proposition is a fallacy, teaching us only to be cautious of grandiose statements: in some ways, the changes being wrought by microcomputers are merely the subtleties changes, caused by and—as we have said—the process has already begun.

changes was the immense boost it gave to the routinisation of tasks—their "digitalisation." In order to make work acceptable to the computer, it had to be handed in a wholly logical form, which in turn had a far-reaching effect on tasks which were not themselves computerised.

The arrival of logic in micro-forma means, as is now well-known, that rapidly increasing computer power is placed at the service of workers who would never have had access to a large computer, with whose needs it probably could not have coped, in any case. Office technology now goes right down the line and is no longer confined within the walls of the air-conditioned computer room.

Thus, the "office of the future" will be equipped with systems which are often already on the market, as well as others which are in development stage and still others whose shape can be foreseen but are at a stage to which microcomputer technology has not yet advanced. An example of the first type is the word processor; of the second, electronic mail systems; of the third, a file system which may be contained within a pocket calculator. Each of these is largely dependent on microcomputer technology, the technology becoming more important in each succeeding generation of equipment.

Third, and most important, the automated office is a response, quite consciously, to the problems posed by the figures noted earlier in this feature. The office of the future is an attempt to do for bureaucracy what Taylorist, or production line, systems did for factory work at the turn of the century.

For a variety of reasons, this process has never happened in most offices—though it has in some. It is happening now, and it is a major industrial-cultural feature of our times.

A remarkable lecture (given earlier this year to the Financial Times/Mackintosh Conference on World Electronics by Mr. Franco de Benedetti, managing director of the famous Italian company of Olivetti) provides a valuable insight into the nature of this conscious response.

It is valuable because, unlike the pronouncements of many



Philips' diode laser recorder uses double-sided 12-inch disc to store the equivalent of 500,000 typewritten pages. Access to any line on any page can be gained in less than half a second.



Gestetner's automated offset duplicating and multi-copying unit (model 319) also has the facility to override manually all the machine functions. The unit has a 1,000-sheet capacity feedboard, while the speed range gives variable control between 60 and 120 copies a minute.

FORECAST MARKETS FOR COPIERS IN EUROPE

Product group	UNITS					
	1978	1979	1980	1981	1982	1983
Dual spectrum	6,210	5,310	4,580	3,880	3,200	2,490
Direct electrostatic						
—wet toner	35,740	28,880	23,320	18,960	13,180	8,380
—dry toner	12,860	15,260	18,800	22,600	24,640	25,780
Electrographic	3,840	4,670	5,760	6,450	6,970	7,380
Indirect electrostatic						
—dry toner	115,530	125,050	133,100	137,390	138,120	136,990
—wet toner	15,620	21,760	28,040	32,960	35,970	38,010
High speed	7,000	7,910	9,340	10,430	11,560	12,350
Special	840	940	1,050	1,140	1,210	1,210
TOTAL	197,640	209,780	223,990	233,830	234,950	232,800

EUROPEAN COPIERS—MARKET VALUES (\$m, 1979-83)

Product group	MARKET VALUES (\$m, 1979-83)				
	1979	1980	1981	1982	1983
Dual spectrum	0.90	0.87	0.78	0.70	0.60
Direct electrostatic					
—wet toner	42.70	37.80	33.60	25.40	17.70
—dry toner	30.80	40.80	52.90	61.90	69.60
Electrographic	17.00	22.10	26.10	29.60	33.10
Indirect electrostatic					
—dry toner	613.00	695.00	765.00	820.00	867.00
—wet toner	195.00	143.00	178.00	206.00	230.00
High speed	273.00	348.00	410.00	478.00	538.00
Special	28.80	34.00	39.10	47.60	54.20
TOTAL	1,117.00	1,322.00	1,506.00	1,669.00	1,810.00

Source: Mackintosh Consultants.

companies engaged in office automation, Mr. de Benedetti is concerned to clarify, at times quite sharply, the process rather than to obscure it. For example: "Information technology is basically a technology of co-ordination and control of the labour force, the white collar workers, which Taylorian organisation does not cover."

Increased productivity can only come about in a sustainable and measurable fashion where there is some objective definition of tasks. Already, there are a range of structured tasks in office work: accounting and payroll procedures, form checking, bulk typing and filing, bulk invoicing and so on. The push now is to automate these procedures presently considered unstructured, which include managerial/secretarial tasks.

There are other reasons for office automation, too: Mr. de Benedetti gives a provisional listing: "The easy adaptability of work to the machine, the diffusion of equipment thanks to technological developments, the measurability of the improvement obtained and, finally, the increased power which the manager acquires, are the... of the exceptional diffusion of mechanisation of the office. And this not only as the automation of already structured tasks, but also as a tendency to further structuring of not-structured tasks."

Typically, these tasks centre round communication with each other. "The heart of the problem," says de Benedetti, "is to improve interaction among office members."

But there is a caveat in this: Mr. de Benedetti does not believe that office automation can be introduced in a purely Taylorised fashion. Dehumanising the craft of office work, as Taylorism dehumanised (or objectivised) the craft of making things could cause trouble.

Office automation, he says, should start from the bottom up. "to avoid unwanted consequences." It must be gradually implemented, in a decentralised way, over a long period of time.

One further point should be made: office automation, which will cause people to work in different ways, depends not just on how the new techniques are introduced, but how high the level of organisation among the workers to whom it is introduced. This is extremely important in Europe—especially so in the UK—where white collar unionisation is much higher than in the U.S.

Work changes in such a case thus become not simply a "people problem," as de Benedetti, lapsing into jargon, puts it, but an "organisation-to-organisation" (company to trade union) problem. In this context, office or any other sort of automation which attempts to radically alter working practices without trade union participation will tend to come to grief.

John Lloyd

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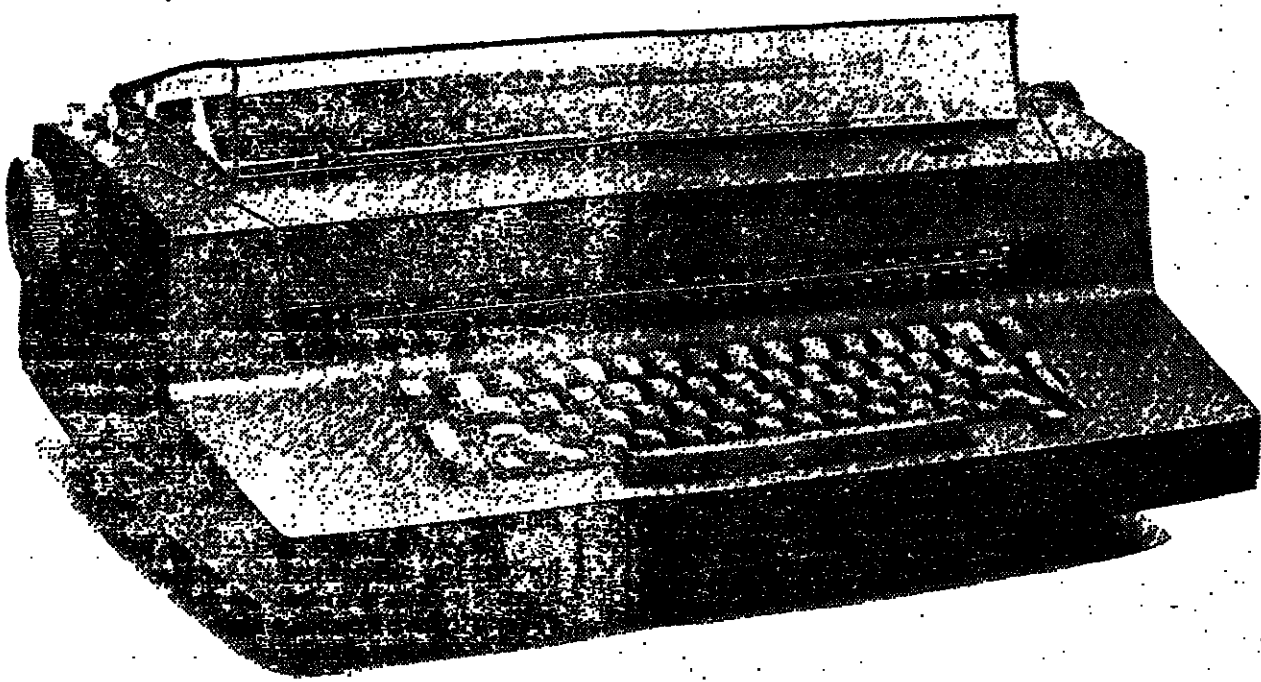
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A lot of very intelligent people think this is a carrot.



OFFICE EQUIPMENT XV

Advent of the electronic typewriter

THE FIRST electronic display typewriters to be marketed in the UK were launched this year by Olivetti, one of Europe's largest manufacturers of office equipment and data processing systems.

Olivetti, in introducing its two new products, was at pains to placate those secretaries who, worried by the inroads being made upon their jobs by electronics, have viewed the electronic display typewriters with the same wariness. The Italian-based company took 800 secretaries to a special launch to show the two electronic typewriters — the ET 201 and the ET 221 — at work.

Mr. Keith Walkerden, British Olivetti's managing director, said: "The ET 201 and ET 221 are not designed to replace secretaries or even to reduce the number of secretaries required. They do not require any

change or adaptation of previously-acquired skills or working procedures. But they do provide the secretary with greater freedom from mundane and unproductive routine and boring tasks. This freedom will enable the secretary to dedicate time and attention to the more original and creative aspect of her work."

Olivetti has gone to great lengths to stress that their electronic typewriters are not word-processors. A word-processing machine, in effect, is an electronic typewriter with a memory and data-recording facility, but an electronic typewriter is a machine in which all operations are automatically controlled and one in which the typing, or depressing a key, is done via an electronic impulse, as opposed to a mechanical motion.

Electronic typewriters offer certain advantages over the existing electric machines

which were introduced in the early 1950s. For example, they are quieter, and centre headings, right and left-hand justification, corrections and tabulation printing are all done automatically by the machine.

Olivetti's ET 221 has a 20-character guide and entry display which visualises the last 15 characters typed, for immediate correction before printing, and the ET 201 has a two-character display so that the operator can arrange the words neatly on the paper.

Facilities

Both models have a two-line capacity memory to allow corrections to be made on the line being typed as well as the previous one. There is also a second non-volatile memory, with a 1,024 character capacity. The printing device on both machines is the daisy wheel which is available in a variety of type styles.

The two machines are Olivetti's answer to America's Exxon Qyx electronic typewriter. However, unlike the Qyx, the Olivetti machines are not part of an upwards-compatible range leading to the word processor.

IBM, which has 60 per cent of the world computer market, sells an electronic typewriter in the U.S., but the company says it cannot speculate whether or not the model will be introduced in the UK. It said: "The greatest move is towards word processing, rather than the simple typewriter."

Mr. Ralph Narg, marketing manager of British Olivetti's office products division, said that within the next five years the electronic typewriter would be the obvious choice for a replacement for an electric typewriter. "At the moment we cannot import enough of the machines," he said. Since the UK launch in May

1,900 of the two electronic models have been sold. Olivetti reckons on selling 90,000 in 1980 throughout the world and sees demand rising steadily as the machines become cheaper to produce. At present an electric typewriter costs between £750 and £950 while the electronic models cost between £1,075 and £1,275.

Olympia, the subsidiary of AEG Telefunken and Europe's largest manufacturer of typewriters, is also entering the electronic machine market. It exhibited its first model at the Hannover Fair in April.

Olympia, which started marketing the machine in West Germany in July and will do so in the UK shortly, sees this development as a chance to polish up its image after losing its technological lead when the golf-ball typewriter was introduced. It confidently sees the time when the electronic typewriter will replace the golf ball. However, Olympia claims that its electronic machine which can be said to actually replace the standard machines used in most offices. It says its ES 100 is aimed at a mass market and believes that Olivetti's two machines will appeal to a more specialised market. Olympia said: "The ES 100 is not a scaled-down word processor; this is the first fully-electronic standard typewriter in the world."

Servicing

The machine, which retails at about £898, is a little more expensive than an electric typewriter and, Olympia says, it drastically cuts down servicing costs because of its design.

The company says it takes about three weeks to train a typewriter technician to service and repair a golf-ball machine but only three days for the ES 100.

The ES 100 has an eight-character buffer store which totally eliminates diphthongs or missed characters and a correction facility which will lift up to eight characters automatically. The typing wheel (the daisy wheel) can be easily changed, giving a choice of typestyles and the machine has electronic tabulator setting and clearance as well as automatic paper feed.

Olympia puts its 6020 memory

typewriter — which will be available in the UK in 1980 — in the category of text-processing machines, not standard office typewriters.

Olympia said: "We take issue with Olivetti when it calls its ET 201 and ET 221 machines, typewriters. They have a storage and a text processor and need specialised training to use. In contrast, our machine is aimed at the mass market where it provides a machine which is easier to use and

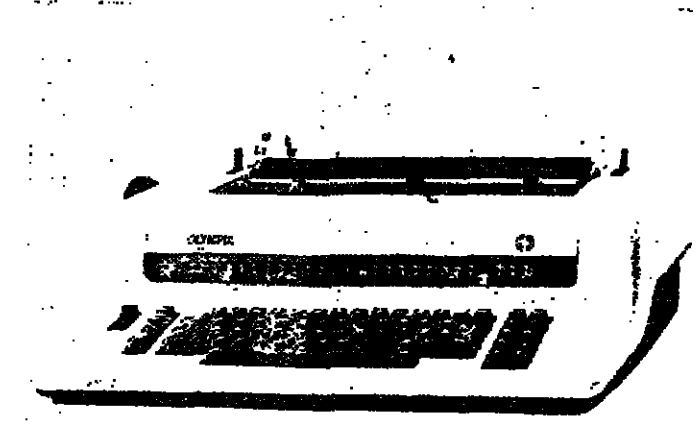
quieter running than the standard electric typewriter." Olympia sees the major demand coming for non-display machines while hundreds of smaller companies battle for the text-processing market.

The electronic typewriter will have a market — shortages of experienced secretaries, particularly in the London area, have led to companies offering greater "luxuries" with the job. There is also increased pressure, particularly on the

Continent, for reductions of noise in the office.

But basically, who needs a machine that will accept typewriter speeds of up to 100 characters a second? Also, as manufacturers and employers adamant that electronic typewriters will not cause unemployment, where will the extra work come from that will be processed at such rapid speed?

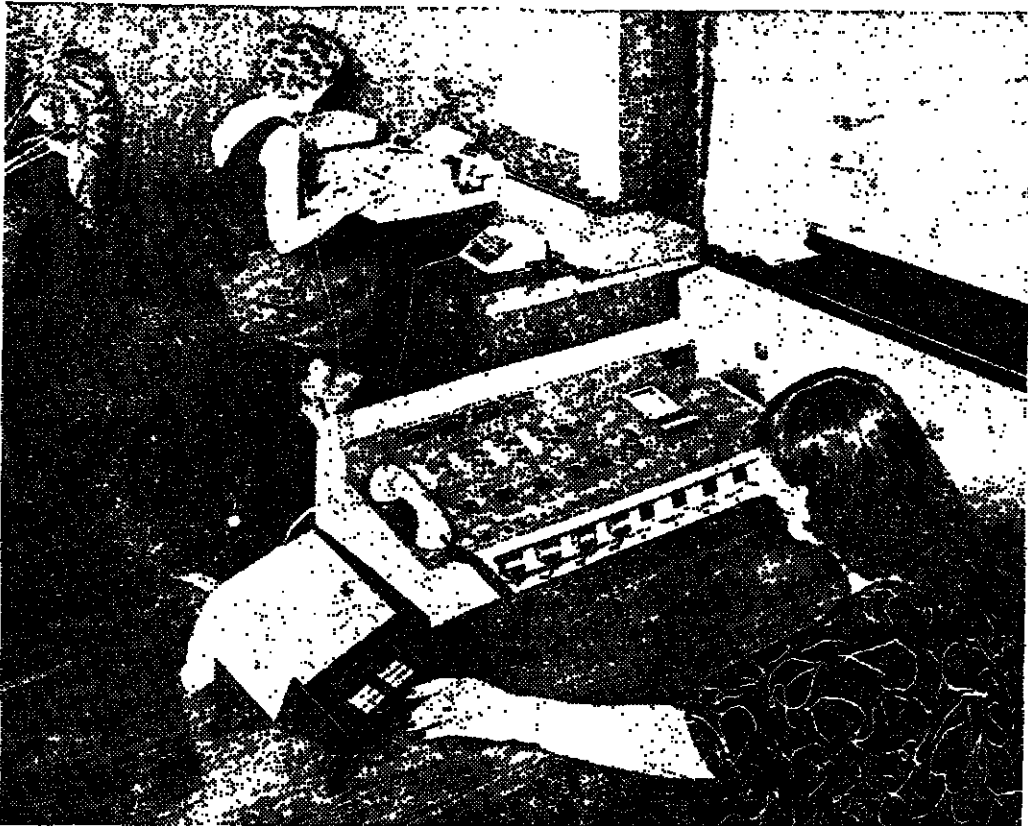
Lisa Wood



Olympia's fully-electronic typewriter, the ES 100 (above), is aimed at a mass market



Office secretaries can also be freed from some of the more monotonous typing tasks by the two electronic typewriters from Olivetti (model ET-221 is shown above). The new machines perform a wide range of operations by simply activating one of ten formats or phrases stored in the machine's memory. Some automated functions provided by the ETs include vertical and horizontal tabulation, automatic column layout and right-hand margin justification



The Dictaphone Time Master (above) fitted to a centralised dictation system, acts as a typing/word processing production controller

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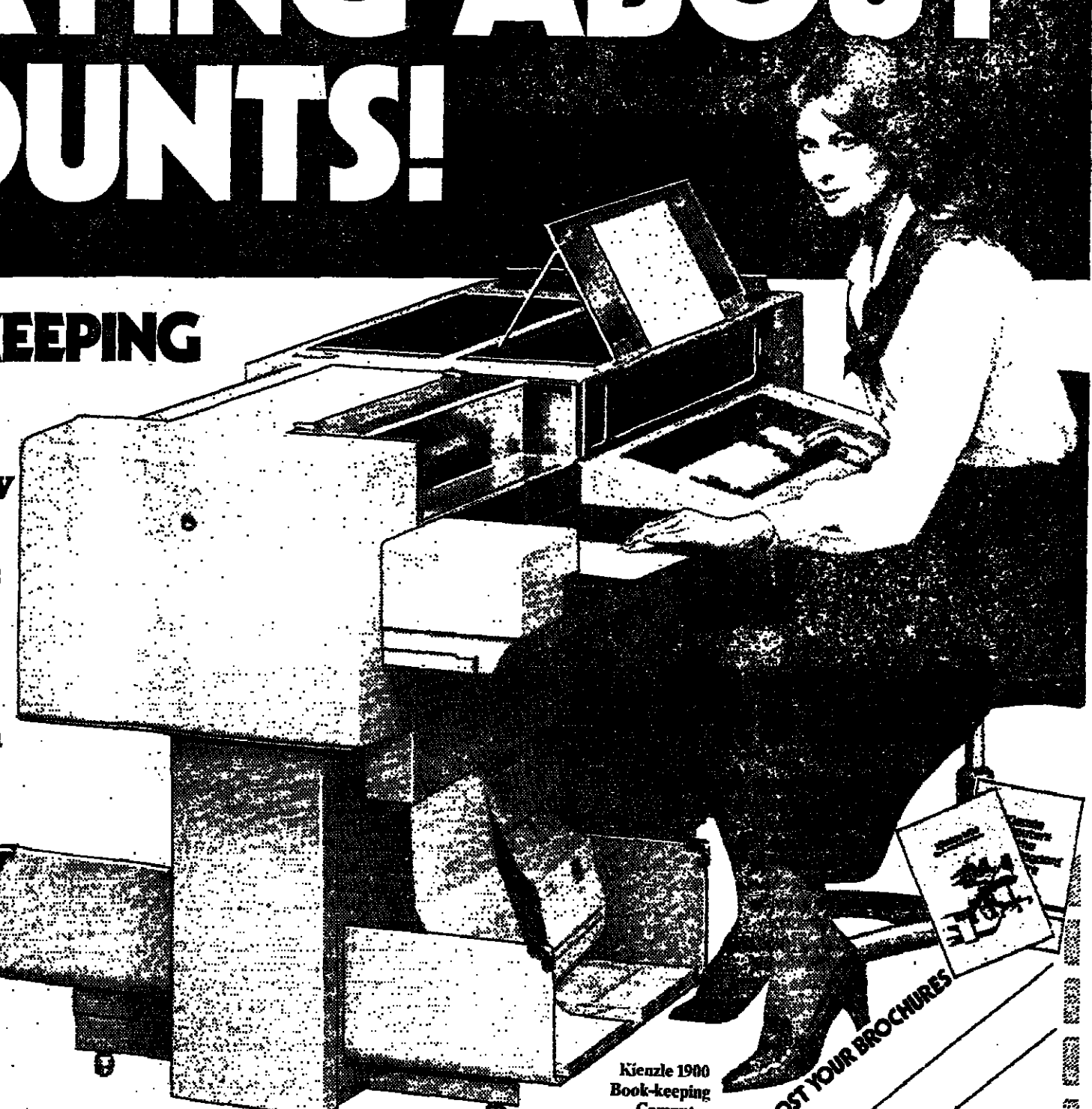
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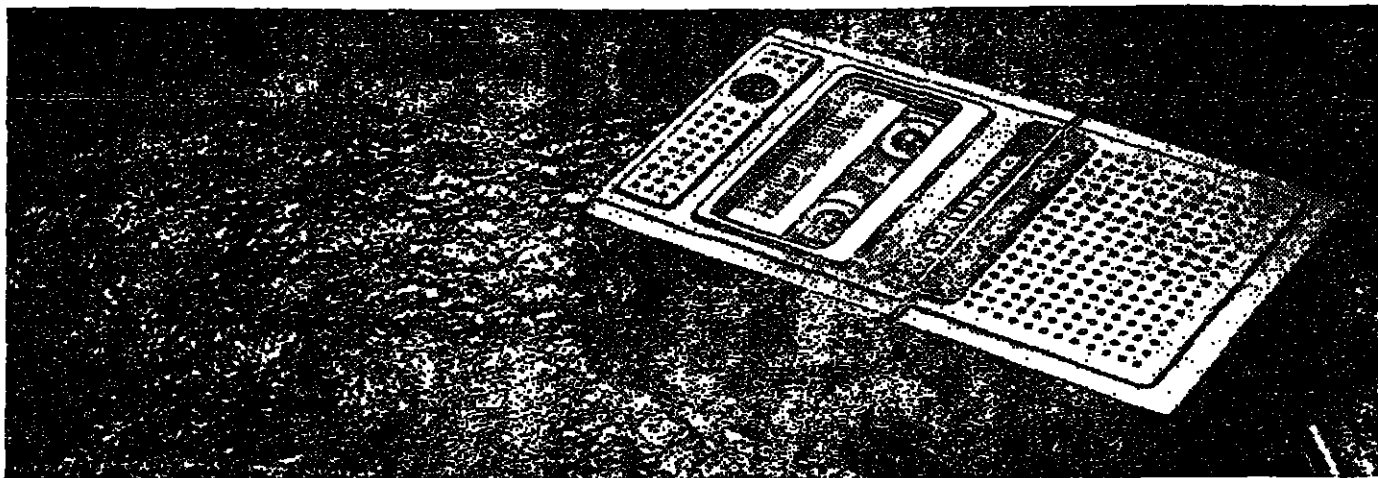


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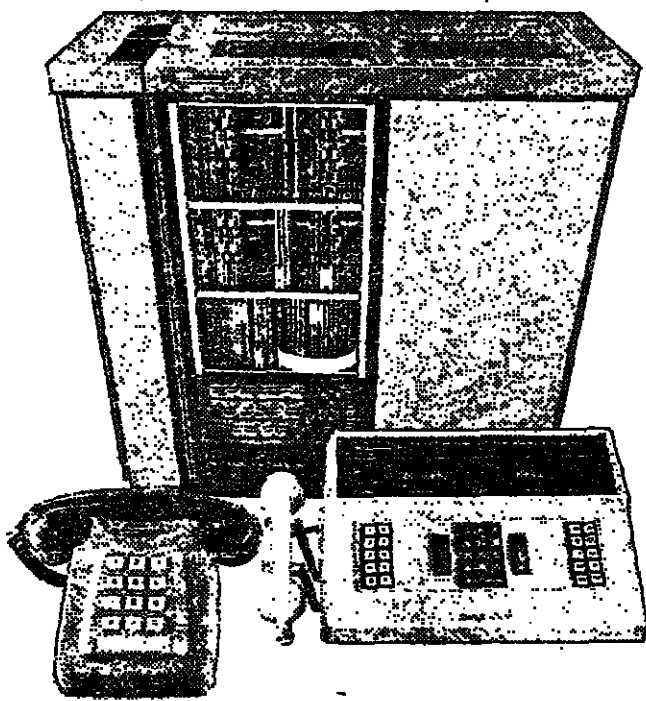
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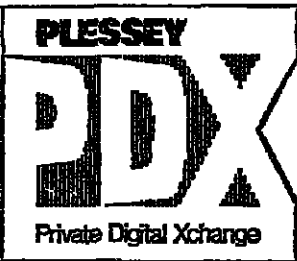


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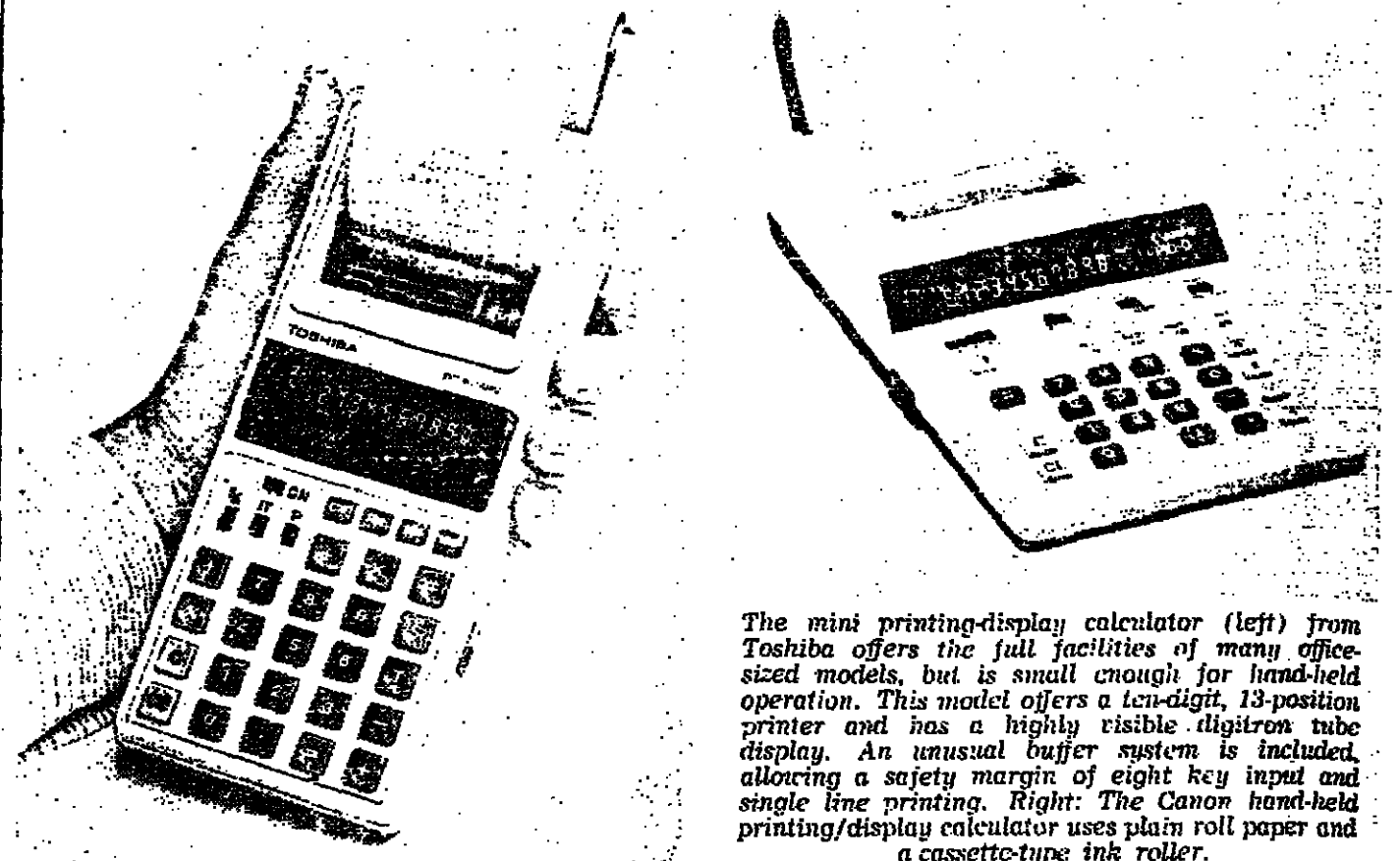
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OFFICE EQUIPMENT XVI



The mini printing-display calculator (left) from Toshiba offers the full facilities of many office-sized models, but is small enough for hand-held operation. This model offers a ten-digit, 13-position printer and has a highly visible digitron tube display. An unusual buffer system is included, allowing a safety margin of eight key input and single line printing. Right: The Canon hand-held printing/display calculator uses plain roll paper and a cassette-type ink roller.

Calculators offer new facilities

FOR A year or so, much of the talk in the computer press has dealt with the pros and cons of the personal computer—this rather hard-to-define entity that starts at around £500 and progresses upwards by leaps and bounds till it turns into a small business machine at about the £3,000 to £4,000 level.

For the past six months, the U.S. computer journals have been warning readers that "hobbyist" computers cannot and should not be used to run ordinary business routines, simply because at the enthusiast level they lack the backing—both in the material sense and in operating routines—as well as the processing power that day-to-day company work demands.

Well, the next two years or so will show who is right. In the meantime, manufacturers of the more powerful calculators have for several years now been including four or even six micro-processor chips in their big machines as a matter of course. For anyone expressing surprise at this to a designer from Hewlett-Packard or Wang, the reaction is: "We don't understand your query—we use horses for courses."

What lies behind this is that the calculator-makers have been working on a faster learning curve than their counterparts in the world of the mini-computer and have taken the microprocessor for what it is—just another component, albeit a significant one. But the microprocessor without closely coupled micro-memory of one type or another would be of little significance.

Benefit

Be that as it may, there is a very large area of office work in the more technology-oriented companies where engineers will reap a much more immediate benefit from having their own pet calculators than from access to a computer installation.

It is a matter of record that Texas Instruments has spent several million dollars on supplying every one of its electronics engineers with a powerful scientific calculator. By so doing it has saved itself even more millions of dollars in computer terminal time, apart from avoiding the need for queues at existing terminals.

TI, authors of the Speak and Sell "toy" of which many of my colleagues still find it hard to believe that query and answer is all done by chips, is strongly pursuing this area of speech synthesis so that one can envisage in the fairly near future, a whole series of teaching aids which will have limited conversational ability.

But that is a long way from the workaday office for which the TI company has designed a number of high level machines with ability to read a magnetic program strip prepared by the user, but also to accept plug-in programming "modules" which can be chosen to suit various extended but routine calculations in civil engineering, such as stress analysis and the like, in business prediction and in navigation, to mention only three out of several dozen.

Hewlett-Packard, which has been selling some very advanced desk-top scientific/engineering calculators for about five years had come down-stream slightly with its latest product, the 41C. This machine is one of a new calculator series which, the company expects, will take the

company's calculator division back up over the \$100m mark this year after the disappointing results of 1978.

The machine is based on very fast circuitry and has a permanent memory which will retain data and programs even when power is off. It can take additional memory if required and accept data from magnetic instruction stripes as well as from bar code readers. The unit can drive a printer/graphics output device.

The keyboard commands 130 pre-programmed functions and there is scope for many personal key functions.

But the point where this machine differs from its immediate predecessors is in its ability to prompt the user, ask for data and indicate that an error has been made in operation.

If that is indeed the "baby" of a new family of intelligent calculators, it seems that many of the so-called personal computer makers will have to look to their laurels. Though this H.P. intelligent calculator is not a true computer in that the user does not employ a programming language to communicate with it, the distinction is rapidly disappearing. It is certain that any engineer, research worker or financial operator will be able to derive extensive benefit from such a machine long before a

personal computer costing perhaps 15 times as much begins to yield comparable results, if indeed it ever does.

What is true for this development from H.P. applies equally to TI, Hitachi, Olivetti and other makers of top of the range calculators—they are excellent tools for the professional.

Potential additions to their capabilities extend as far as one can see into the future of the microelectronics industry, based on voice synthesis, word recognition, extended and extremely low-cost memory and so on.

The technology that has gone into producing such compact but potent aids as these has also brought about a revolution in cash registers providing these with electronic brains and ability to read code, look up a price instantaneously from a list of several thousand, calculate the item sale and—when the shopper's pile of purchases has been duly totted up, produce a check-list and total price, commit the sale to memory, or even tell a central processing unit that will automatically alter stock records and re-order totals.

By then, of course, it is no longer an electronic cash register but an extremely important unit in a point of sale system.

There has been a great deal of argument about the lower

limit for such point of sale equipment. But at the rate small local stores are disappearing such arguments may become academic. At the same time, if staff shortages become more acute still, introduction of further automation becomes inevitable.

Indeed this trend is being actively promoted by the big banks in Britain who would like to see, within five years, a large communications network set up between themselves and intelligent point of sale units in stores all over the country. This network would provide direct and immediate communication between the store and the bank of the would-be customer who would use a universal credit card to effect a purchase, the bank providing automatic validation of his bona fide (or not), debit his account, and automatically transfer the sum to the store's account or to the store's own bank.

One is talking of, possibly, £50m of equipment in the first instance.

It would help banks to contain, or even reduce, their transaction costs and solve office administration problems for the stores by doing away with the greater part of their clerical work. That is a solution of a sort!

Ted Schoeters

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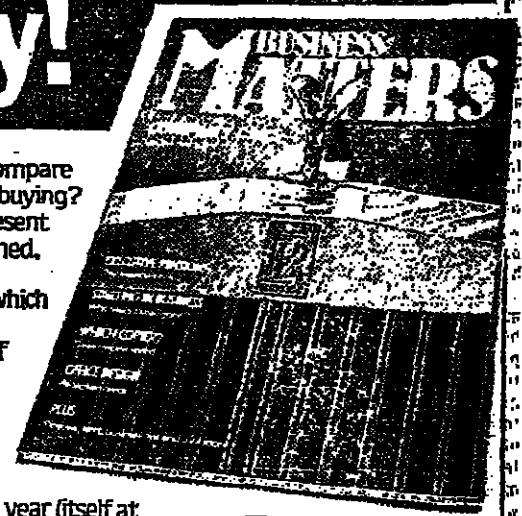
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BRAVE ATTEMPT TO DEFUSE THE SEPARATIST CAUSE

Spain's experiment in regional autonomy

By ROBERT GRAHAM in Madrid

UNDER FRANCO regionalism was a dirty word. The idea of regional autonomy was anathema to a man who believed in the indivisibility of a Catholic Spain with a strong centralised Government.

Now, 40 years after the Civil War savagely ended the regional aspirations of the Basque country, Catalonia and Galicia, Spain is about to embark on a new experiment in regional autonomy.

On Thursday referendums are being held in the Basque country and Catalonia to approve regional autonomy statutes. These two regions have staked the biggest claims for special national status and as a result have been treated first. But over the coming months autonomy will be extended to all the regions of Spain which seek it.

Under Franco regionalism was a dirty word. The idea of regional autonomy was anathema to a man who believed in the indivisibility of a Catholic Spain with a strong centralised Government. Now, 40 years after the Civil War savagely ended the regional aspirations of the Basque country, Catalonia and Galicia, Spain is about to embark on a new experiment in regional autonomy.

Flexibility

That agreement has been reached on a statute reflects credit on the flexibility of both the Premier, Sr. Adolfo Suarez, and the parliamentary representatives of the Basques, headed by Sr. Carlos Garañano. The latter insisted that it would be impossible to sell inside the Basque country any statute that fell short of the terms of the 1936 statute of Guernica which laid down the previous guidelines for Basque autonomy.

As a respectable point of departure. In other words, if the Suarez Government was willing to bend on autonomy, moving more than it really wished on a real devolution of power, the more the wind was taken from the militant separatists' sails. This is what eventually happened. The tactic has been to frame the statute in broad, and occasionally fairly ambiguous terms, often going far towards devolution yet always hedged by the provision in accordance with the constitution.

The first article of the new Basque statute sets the tone of the new arrangement: "The Basque people or Euzkadi-Herria, as expression of their nationality and in order to accede to self-government, establishes itself as an autonomous community within the Spanish State, known as the Basque country or Euzkadi, in accordance with the constitution." The statute recognises Basque as an official language inside the region and accepts it in all educational institutions.

The Catalans have sought to model their statute round the principles contained in an ill-fated autonomy statute granted in 1932. Historic institutions are enshrined like the medieval

parliament, the Generalitat. Catalan is accepted as a joint official language with Spanish. In most respects the statute's contents are similar to the Basque one. But the Catalans, who are the most advanced in the adoption of their own language, pressed harder on the question of complete control of education and universities. They were also more far-reaching in their demands for the devolution of control over economic and financial matters. Disagreement on this issue led to a marathon 20 hour negotiating session that resulted in one of the vaguest parts of the two statutes. In effect the Government has agreed to negotiate over a six year period the question of the transfer of economic and financial matters. Disagreement on this issue led to a marathon 20 hour negotiating session that resulted in one of the vaguest parts of the two statutes.

The radical grouping, Herri Batasuna, which acts as a political front for hardline elements within ETA, is campaigning for abstention. In the April municipal elections Herri Batasuna picked up 16 per cent of the vote while other left-wing parties picked up a further 4 per cent against an abstention rate of 32 per cent. The abstention campaign could therefore potentially result in less than 50 per cent of the electorate voting in favour of the statute: by no account an overwhelming endorsement.

However, Herri Batasuna is an uneven coalition of forces that seems increasingly less independent of ETA (Military) — the military wing of ETA — the group that has refused to curtail terrorist violence. In emotional terms it still represents what many Basques at heart would like to espouse — an independent state. Yet the economic climate in Spain, and more particularly the severe recession in the vital steel and engineering industries in the Basque country, coupled with a feeling the statute is straining Spanish democracy as far as it can go, have induced a sense of realism and compromise.

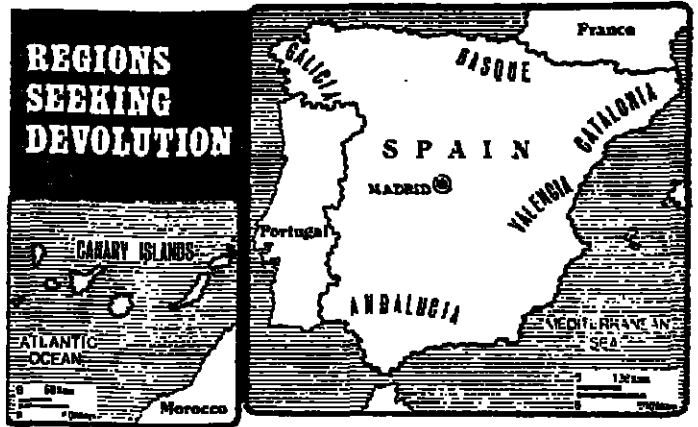
By the tougher French attitude towards Basque activities on the French side of the border. So far this year political refugee status has been withdrawn from 158 of 853 Basques previously granted it.

No one is pretending that armed struggle will cease overnight. The presence of the security forces and some 130 "political" prisoners remains a vexed issue. The political military wing of ETA itself has insisted that it is ready to resume violence if necessary. The cynics argue that it even suits the conservative Basque nationalists to have the threat of armed violence in the background to obtain concessions. There is little doubt that the bombing of tourist targets this summer was a key element in wringing concessions from the Government. The terrorists themselves will continue to find excuses to act, and perhaps principally among these will be the shape of the Basque country granted autonomy.

The present statute applies to only three of the four Basque provinces — Alava, Guipuzcoa and Vizcaya. Navarre has been excluded because the Franco Government decided to respect certain autonomous historic rights enjoyed by the province by virtue of the latter's support for the Nationalist cause in the Civil War. Navarre can only incorporate into the new Basque autonomous unit by separate referendum. This is a potentially explosive issue since the province has become in recent years polarised between traditional Catholic elements and the left-wing which supports Basque separatism. Herri Batasuna has some of its strongest support in Navarre. It obtained more local councillors in the April

municipal elections than any other party. Such difficulties should not detract from the overriding importance of adopting the statute even though, as it seems, the poll in favour will be low. Endorsement of the statute will be a sign to fill the vacuum of peasant expectations in the Basque country and will reduce the level of tension. The uncertainties surrounding Basque autonomy have been a major destabilising factor in Spanish politics in the past 18 months. The persistent attacks by ETA on the military (12 senior officers and over 60 police have been killed by ETA this year) have sapped their morale and allowed the spectre of the military demanding a "state of exception" — something near to martial law — in the Basque country to hover permanently in the background.

First served. Yet because so much has been at stake in the Basque country, and because the Catalans, though non-violent, have been so vociferous in demanding autonomy, the Government has been obliged to treat them first. Consequently the impression remains among the other regions that these two are special cases, while the others are in an inferior category, less deserving of such a degree of autonomy. Here the Government has to some extent been hoist on its own petard. To defuse the maximalist demands of the Basques and Catalans, the Government decided it best to offer autonomy to everyone who



asked for it—so hoping to offer fewer concessions to those that really wanted them on the grounds that the same norms had to be applied all round. But having opened up, at least on paper, the possibility of greater devolution in the Basque country and Catalonia, the others — especially Andalucía, the Canaries, Galicia and Valencia — want the same. It is perhaps ironic that the Basque country and Catalonia, which have done the most to promote a nationalist mythology, are the regions with the greatest immigrant population. In the Basque country 43 per cent of the electorate are immigrants from other parts of Spain, mainly the South. Some of the leaders in these regions are, however, aware that regionalism could easily backfire. Not only could it produce an expensive duplication of services, without lessening central government control, it could actually exacerbate the existing imbalances of wealth and distribution of industry within Spain. It is important, to stress that the most independent-minded regions — the Basque country and Catalonia — account for the bulk of Spanish industrial production and are the most socially and economically developed. These are also the two regions closest to Europe and stand to gain most from entry into the EEC through sheer proximity and their economic sophistication. As a long-term destabilising factor, regional imbalances could prove more significant than the trouble caused up to now by ETA.

Categories of perks

From the Public Affairs Director, Institute of Directors. Sir—Our colleagues at the Institute of Sales Management (October 17) are right to draw a distinction between the company car when it is provided for employees as a perk of their trade and the company car which is provided as a perk of the job. I would hesitate to agree with their suggestion that directors are alone in receiving cars as a perk, or that they do not use them on the company's business. But in any case there can be no discussion of the taxation of perks without first recognising why the system of offering them has grown up, and without distinguishing between the perk and the legitimate fringe benefit.

Many employers believe that a properly constructed remuneration package should contain fringe benefits, such as a pension scheme, life insurance, disability benefits, medical protection, caterias, discounts on company products, perhaps even a sports club. There is also the category of so-called benefits which are really tools of the trade: clearly the salesman's car is one of these. It is the third category of perks—the quasi-justifiable perquisites of the job, which we have called perks—which might justifiably be attacked as improper parts of the remuneration package.

The company car, which is provided for senior employees and executives of the company, might well fall into this category. But it is important to remember that it is there as a result of policies of incomes control and high personal taxation which successive governments have pursued. Such policies have forced companies to think up all kinds of ways of attracting and retaining employees, including giving them cars.

This institute would be perfectly happy to see the eventual disappearance of such systems, which are wasteful of resources and time consuming. But there can be no question at this stage of a concerted attack by the taxman on perks—more particularly a concerted attack on one of them, the company car—without considerably more work on reducing the individual's tax burden.

The Government has already made a creditable start on the business of carrying through its policy of increasing incentive. If it will proceed—which it has given every indication that it intends to—with the programme of cutting direct taxes, underpinned by political pressures to make cosmetic changes, business will have no hesitation in playing its part by rationalising its approach to the whole area of fringe benefits.

The principal point is that taxation policy must be devised on the basis of economic considerations: what is most likely to lead to an improvement in the performance of the individual and thus the country. It must not be a tool of political whim for attacks on this or that sector of society. E. A. Tucker, 116, Pall Mall, London, SW1

Exam pass rates

From D. Simon. Sir—It is unfortunate that Michael Dixon, in his article of October 16 entitled "Employers

Letters to the Editor

cause shortage of skilled staff" should mislead not only himself but also his readers through his "technical explanation" of his analysis of GCE O-level examination pass rates. He concludes that as the pass rate expressed as a percentage of the 16 year age group is highest for the English language O-level examination, this subject is the easiest to pass. This conclusion is false, the subject showing the highest pass rate as a percentage of the age group solely because it is the subject for which the highest percentage of the age group enters.

To include non-entrants in the analysis of examination performance gives the misleading impression that examinations that are taken by many are easier to pass than those taken by few candidates. Michael Dixon's analysis of the percentage of entrants passing each examination subject clearly shows that there is little difference in the pass rates they achieve in the various subjects. David S. Simon, Department of Economics and Commerce, University of Hull, Hull.

Mortgage funds

From Mr. D. Woolard. Sir—The present shortage of funds could easily be turned into a surplus if all persons who had to take deferred pensions from their employers as a result of redundancy or transfer were allowed by law to put their transfer value in a building society to buy an annuity at 65 instead of having to leave a combined real return of 16 per cent a year; on the modest size of his likely liability for capital transfer tax, when proper allowance is made for all of the loopholes permitted by the existing special treatment for farmers: on the modest cost of funding that liability by insurance, if a farmer chooses that in order to avoid any possibility whatever of having to sell land or non-farm assets; on the size of farm at which which economies of scale run out, viz. 250-300 acres, with the major advantages in long-run unit cost running only at 100-150 acres; and on the absence of any threat to efficiency or output even if some of the very largest farms (which have been multiplying) were occasionally to be handed on to a son at something closer to the size at which father himself inherited.

Alternatives for dockland

From the Chairman, Exhibition Consultants. Sir—Recently Sir Horace Cutler has been proposing the Olympic Games and a World Fair for London's docklands. These events may be very good for encouraging people to think of alternative uses for London's docklands but do not solve the problems of long-term development. If, however, the country were to decide that the docklands site in London was the most suitable for a new exhibition centre to complement the NEC in the 1990s then this would make more sense.

Efficiency of fuel use

From Professor D. Leslie. Sir—In your editorial "New approach to gas prices" (October 15) you have rather coincidentally used the efficiency of electricity on a slide rule at electricity on the standard environmentalist ground that "72 per cent of the energy used by power stations is wasted before the electricity reaches the consumer." The number is correct but it is not very relevant since the electricity industry consumes fuel for which there is either little other outlet (heavy fuel oil, coal dust) or no other market at all (uranium). We seem to be approaching a period of absolute fuel shortage and it is surely unwise to reject these fuels because of the relatively low efficiency with which they can be brought to the point of final use.

Farms and capital tax liability

From Mr. A. Sutherland. Sir—Mr. Malcolm of the National Farmers' Union (October 18) misrepresents my argument when he says that it has been based solely on the real income growth of the average farmer. It rests on the real income growth of the average full-time farmer (6 per cent a year); on his real capital gain of 9.7 per cent a year since 1969, so that each acre is now worth 2.3 times as much on his combined real return of 16 per cent a year; on the modest size of his likely liability for capital transfer tax, when proper allowance is made for all of the loopholes permitted by the existing special treatment for farmers: on the modest cost of funding that liability by insurance, if a farmer chooses that in order to avoid any possibility whatever of having to sell land or non-farm assets; on the size of farm at which which economies of scale run out, viz. 250-300 acres, with the major advantages in long-run unit cost running only at 100-150 acres; and on the absence of any threat to efficiency or output even if some of the very largest farms (which have been multiplying) were occasionally to be handed on to a son at something closer to the size at which father himself inherited.

Next time try Bovis. They manage things better.

Snarl-ups in building programmes happen for all sorts of reasons. But generally it comes down to bad management which is why they don't usually happen on Bovis jobs. Management is Bovis's real contribution to their contracts. Building of the Royal Liverpool Hospital had virtually ground to a halt when Bovis came on the scene. We not only got it going again, but saw it through to a triumphant conclusion and incidentally helped to save £6 million on bringing the fire-proofing up to present day standards. In the appalling winter of 1979 we rebuilt the fire-damaged Helena Rubinstein premises in 8 weeks — 2 weeks less than programmed. On the new Lloyd's building in Chatham it was our timing we were proud of. We met the client's occupancy and move dates to the exact day — no last minute panics, no hanging about — and within the original budget. Bovis management could save you a lot of money too, in terms of time or directly in costs. John Gillham on 01-422-3468, will be happy to substantiate this claim any time you like to ring him.

Today's Events

GENERAL. UK: Provisional October figures for unemployment and unfilled vacancies. National Water Council annual report. Mr. Peter Walker, Agriculture Minister, at Cocoa, Chocolate and Confectionery Alliance luncheon, Hotel Intercontinental, London. Statement by Age Concern and National Westminster Bank on campaign to combat violence to the elderly. Sir Kenneth Cork, Lord Mayor of London, attends meeting of Committee to Review the Functioning of Financial Institutions, Guildhall.

COMPANY RESULTS

Finals: City and International Trust, Duclite Steels, R. P. Martin, Paterson Zochonis, Interims: Barmers Stores, English National Investment, Fidelity Radio, London Brick, Walter Runciman, Securities Trust of Scotland, Sheffield Brick Group, Skerchley-Toser, Kemsley and Millbourn Holdings.

COMPANY MEETINGS

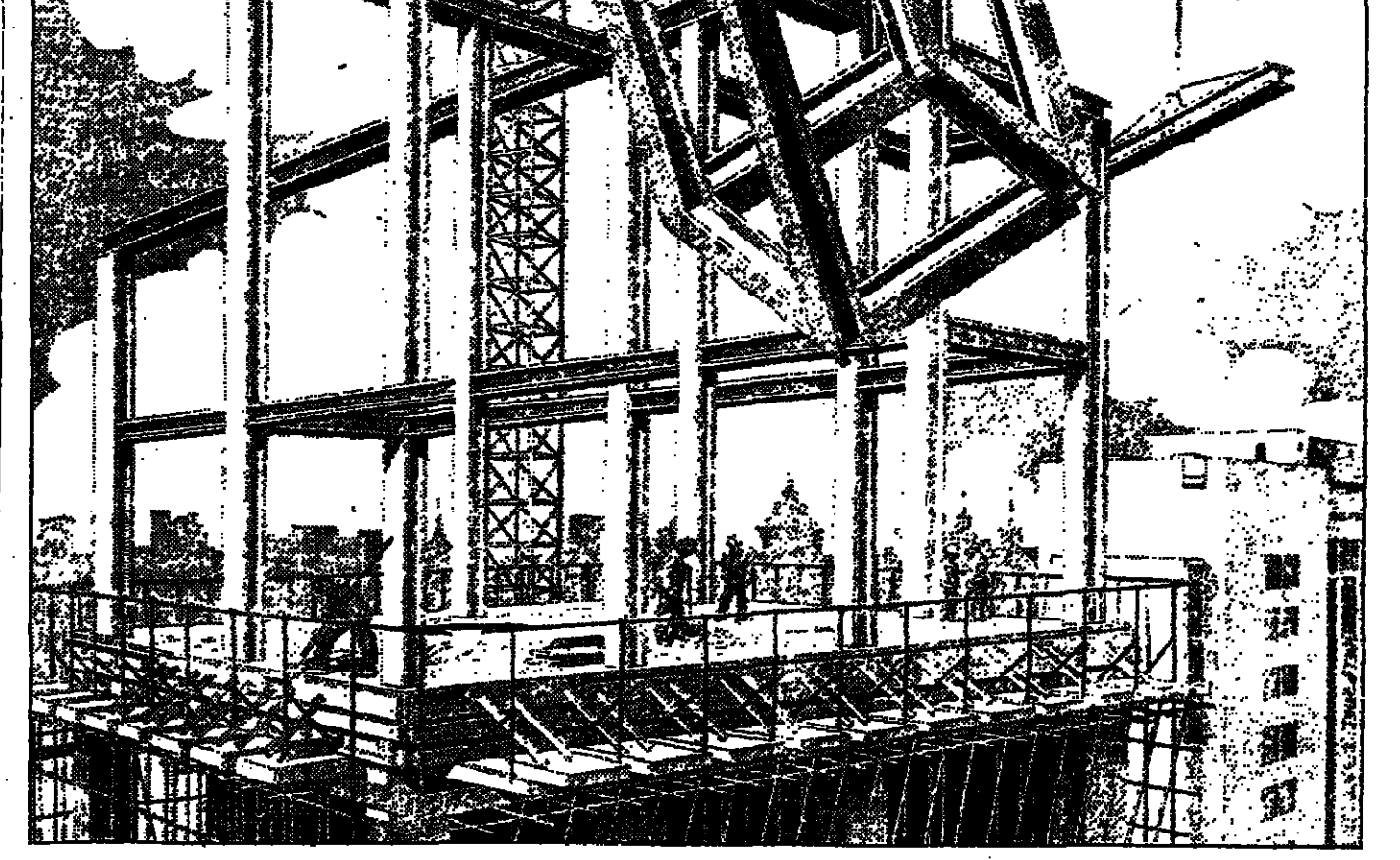
F. and C. Eurotrust, 1-2, Laurence Pountney Hill, E.C. 12.15. F.M.C. 25, Knightsbridge, S.W. 15. Linford, Howard Hotel, W.C. 10.30. Ricardo, St. Ermin's Hotel, S.W. 12.

OFFICIAL STATISTICS

New vehicle registration (September). PARLIAMENTARY BUSINESS. House of Commons: Publication of Industry Bill expected. Resumed debate on second reading of Competition Bill. Motion on EEC document on state aids to steel industry. Lords: Law Reform (Miscellaneous Provisions) (Scotland) Bill. Debate on 16th report of ECC on approximation of laws relating to construction products. Debate on 17th report of ECC on draft directives on discharge of aldrin, dieldrin and endrin into the aquatic environment.

GENERAL

Queen holds investiture, Buckingham Palace. Association of Masters and Mistresses conference continues, Assembly Rooms, Bath. Overseas: Chairman Hua Guofeng, Chinese leader, in West Germany. Two-day Financial Times World Conference on Energy and Industry opens, Düsseldorf. General Election in Denmark. National two-hour strike by Italy's engineering workers in protest at Fiat dismissal of workers. European Parliament in session, Strasbourg.



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Bovis Construction Limited, Bovis House, Northolt Road, Harrow, Middx. HA2 0BE. Telephone: 01-422-3488. Please send me details of your service. Name, Company, Address, Tel. Bovis FT23/10

Mothercare jumps £3.5m —U.S. losses halved

WITH U.S. losses more than halved at £0.41m and UK profits £2.82m higher at £9.95m, the taxable surplus of Mothercare advanced from £7.02m to £10.55m in the six months to September 28, 1979.

Sales of the maternity and children's wear, prams and nursery furniture group were well ahead at £77.17m, against £81.6m. The net interim dividend stepped up from 1.136p to 1.62p —there is also a deferred payment of 0.09654p (0.02884p). Last year a total of 3,292,299 was paid from pre-tax profits of £15.76m (£13,880m).

After tax for the half-year of £3.26m (£4.2m), stated earnings per 10p share are up from 4.37p to 8.21p. Pre-tax profit included this time £271,000 surplus on disposal of property.

	Six months 1979	1978
Sales	77,166	81,604
UK	62,163	49,928
Europe	8,749	7,466
U.S.	5,054	4,210
Trading profit	10,379	7,017
UK	9,982	7,291
Europe	708	781
U.S. loss	411	1,677
Surplus on prop. sale	271	—
Profit before tax	10,550	7,015
Tax	5,261	4,197
Net profit	5,289	2,818

During the past six months, five new stores have been opened in the UK, one in Belgium and one in Austria. In the U.S., five new Mothercare stores were opened and four Mothercare stores were closed, as planned.

At September 28, a total of 182 (172) stores were trading in the UK, 20 (17) in Europe and 155 (145) in the U.S.

The European and U.S. results are for the 26 weeks to August 31, 1979.

See Lex

WOLFF OLINS GETS ICC BACKING

Wolff Olins corporate design and business consultant has negotiated a £200,000 long-term loan with I.C.C. The loan will be used largely for the re-design and expansion of the company's premises at Dukeries Road.

HIGHLIGHTS

Following rumours of troubles late last week the news came yesterday that the acquisition by Midland Bank of U.S. financial group Walter E. Heller has been called off. The Lex column looks at the implications of this and also at the signs of trouble nearer home in the shape of the £20m loss suffered by Tube Investments because of the engineering dispute. There is also bad news too for insider traders in shares who are now faced with legislation rather sooner than expected. Finally Lex looks at the half time figures from Mothercare which has turned in a 50 per cent profit advance, thanks partly to loss elimination in the U.S. On the inside pages there are comments on Pressac, London Sumatra, Bryant, London Scottish Finance and Highland Distilleries.

R. Green expands to £1m

INCLUDING a higher profit on sale of property of £26,000 against £39,000, pre-tax profits of R. Green Properties expanded from £985,000 to £1,055,000 for the year ended June 30, 1979. Turnover was down at £3,98m compared with £4.11m.

The current year has started satisfactorily, directors state, estimated profits for the first quarter being ahead of the same period last year.

They add, however, that the uncertain mortgage situation could retard the rate of progress in the house building section.

Strike costs Tube Inv. £20m

THE RECENT engineering dispute is estimated to have cost Tube Investments a loss of pre-tax profit of the order of £20m, the company stated yesterday. This follows a first quarter setback, because of the transport strike, which left profit for the first half of the current year down from £37.9m to £30.4m.

Greenbank little changed

LITTLE CHANGED turnover and profits are reported by Greenbank Industrial Holdings, the engineering and property development group, for the first half of 1979. On sales of £4.6m, against £4.56m, pre-tax surplus moved up slightly from £326,228 to £341,057.

Current order books are satisfactory, but the directors say the full year's results are likely to be adversely affected by the delay in completion of contracts, as a result of the recent engineering dispute.

In the last full year, profits were a record £2.28m (£2.15m). The net interim dividend is effectively raised from 0.52p to 0.8p per 10p share.

Half-yearly profits included interest received, less paid, of £77,746 (£60,548), but were struck after exchange losses of £34,052, against a £31,772 gain, and depreciation up from £57,765 to £63,637.

Tax takes £437,299 (£438,000), leaving net profits up from £388,228 to £403,758.

Vitatron shows 41% premium

THERE WAS a heady start to dealings yesterday in the shares of Dutch electrical group Vitatron NV, the first company in the EEC to be quoted on the London Stock Exchange without first being listed in its home country.

Strong demand sent the shares, \$80,000 of which had been placed at 175p, up to 250p after opening at 233p. They closed as the day's most active stock at 247p—a 41 per cent premium.

Dealers described trading as "useful" and "lively." The group is a leading manufacturer of heart pacemakers. Its shares are traded in Dutch guilders and listed as a foreign stock.

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Mr. A. H. Eikman, the founder and managing director of Vitatron (left) with Mr. Douglas Meekins, the head of corporate finance at Grindlays Brandt, who arranged the placing.

Pressac advances to record £1.3m

A SECOND-HALF rise from £336,511 to £700,847 has lifted taxable profits of Pressac Holdings from £1.01m to a record £1.28m for the year ended July 31, 1979. Turnover improved to £9.7m against £7.89m.

From stated earnings of 21.82p (18.37p) per 10p share, directors are recommending a 2.9832p (2.0768p) net final dividend.

making a 4p (3p) total. Also proposed is a one-for-one scrip issue.

The directors state that sales of TV sets remain buoyant, but those of motor vehicles less so. In both cases they say that the volume of imports is eroding UK production.

At home, they plan for growth from the numerous industries which are adopting electronic technology, while abroad the company looks forward to greater rewards in the near future.

After tax, SSAP 15 adjusted, of £37,178 (£26,579), and minorities, the attributable profit emerged at £14,948 against £743,138.

comment

Pressac has evinced consistent growth since 1975 and the latest 24 per cent rise in pre-tax profits continues this trend. The company specialises in electro-mechanical components for products as different as motor vehicles and televisions. Volume is up 10 per cent this year and margins are improving. The company has been expanding and diversifying its interests and has become the sole supplier of certain components to televisions for Philips and cars for Ford, among others. Although imports of televisions and cars into the UK might be expected to pose a threat, Pressac has boosted its direct exports by 52 per cent and this has more than compensated for such worries. The total dividend is up by a third at the net level, yielding 5.3 per cent at 110p, up 4p. The p/e comes to 7.1 on a full tax charge.

Bryant turns in £4.76m

AS EXPECTED, Bryant Holdings, building contractor, civil engineer and property developer, has produced record profits for the year ended May 31, 1979. From unchanged turnover of £57m, pre-tax profit was £4.76m compared with £4,029 which was after exceptional debts of £2.64m.

With first half profits up from £1.7m to £2.68m, the directors said the continuing success of homes development and property activities would more than offset any weather and contracting problems for the second half. Record results were anticipated. The Board notes reports that homes and property activities continue to be the main profit centres and both have started well in the current year. Very satisfactory results should be presented this time next year.

	1979-79	1977-78
Turnover	57,000,000	57,000,000
Operating profit	4,029,000	4,029,000
Assoc. profits	715,880	191,582
Exceptional debit	—	(2,637,526)
Profit before tax	4,744,880	1,583,056
Tax credit	2,077,424	1,138,316
Net profit	6,822,304	2,721,372
Extraord. credit	814,000	219,866
Dividends	6,010,304	2,501,508
To reserves	712,000	219,866
Losses, Charge, £ From reserves	—	—

Excluding deferred tax written back, stated earnings per share are 11.5p against a 2.7p less. Including the tax, earnings are 34.1p.

The final dividend is 2.9508p lifting the year's net total from 2.5092p to 4p.

Home sales remained buoyant throughout the year, the directors say. The results have been achieved largely from the continued success of group private housing schemes with support in quality earnings from property development.

comment

Bryant's full-year results are complicated by 1977-78's £2.6m provision by the Saudi Arabian associate and the turnaround to profits of £0.7m by associates, £0.5m of which is attributable to a property sale. Nevertheless, the outcome, including the 51 per cent jump in the gross dividend, is a creditable one and up to the market's best expectations. As anticipated civil engineering and construction, which slipped into the red, suffered from the adverse weather and cutbacks in Government spending but this was more than offset by the private housing division. Sales were static at around 1,500 units, a reflection of difficulties in obtaining a mortgage, but margins improved dramatically, largely because house price increases of around a quarter outstripped costs, which rose by only 15 per cent. At 73p, the shares look good value. The p/e is 6.6 while the yield is 8.3 per cent, compared with averages of almost 5 and 6.6 per cent respectively for the contracting and construction sector.

Thermo-Skyships aims for rule 163 listing

BY TERRY GARRETT

By the middle of next month Thermo-Skyships is expected to issue a prospectus in an attempt to raise around £4m to finance the first leg of its project to manufacture airships.

The company will also be applying to the Stock Exchange for a rule 163 (2) listing. This development has held up publication of the prospectus for a couple of weeks while the company made certain changes to its original document to meet the full requirements of 163.

Mr. Edward Potter, a director of the company, said yesterday that the company was in detailed discussions with the Belgian authorities, which, having made an initial assessment of the project, appear keen to have the manufacturing plant established there.

In Belgium the authorities are prepared to finance between 50 and 80 per cent of the cost of prototype projects by way of an interest-free loan.

For a company such as T.S., planning some £2m of expenditure on building a prototype airship, there are obvious attractions from such a scheme. But the company is known to be having discussions with the Department of Industry in the UK and the directors have spent out their desire to set up the plant in the UK.

It was revealed earlier this month that the company was hoping to set up manufacturing in the Sluhton area. However, Mr. Potter made it clear yesterday that "an offer from another government would be considered."

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corr. div. year	Total year	Total last year
Bishopsgate Trust Int.	2.8	Dec. 10	2.8	5.6	6.35
Bryant Hldgs.	2.95	—	1.56	4.51	2.51
R. Green	1.27	Jan. 7	0.94	1.88	1.49
Greenbank Ind.	0.8	Dec. 3	0.62	1.42	1.07
Highland Distilleries	1.55	—	1.11	2.1	1.61
London Scot. Finance	1.74	—	0.91	2.35	1.43
London Sumatra Int.	2	Jan. 4	2	4	6
Lowland Invest.	2	Dec. 18	1.6	3.2	2.5
Mothercare	1.62	Jan. 2	1.14	2.76	3.29
Oswich Trust Int.	0.72	Nov. 30	0.5	1.22	—
Panic Int.	0.8	—	0.8	1.6	—
Pressac	2.98	Dec. 7	2.08	4.3	—
Sogomana Int. 3	—	Jan. 16	2	2	9
U.S. & General Trust	—	—	—	—	—
Spec. Int. 1.68	—	Nov. 23	—	—	6.33

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ To reduce disparity. § Plus deferred dividend of 0.09654p (0.02884p). ¶ After payment on arrears of dividends from Shell, BP and Unilever. Plus special 1.4p dividend in respect of dividends received from Shell and Unilever, now payable.

Turner & Newall's automotive components division is really going places



FRANCE — £5 million investment in automotive gasket manufacture



U.S.A. — £5 million investment in new automotive components plant



ITALY — £2 million investment in automotive filter production



NIGERIA — £2 million investment in new plant for friction materials and gaskets

In the USA, for example, where we are expanding a recently acquired automotive components business.

In France, Italy, Belgium and Spain where new investment has consolidated our position as one of Europe's leading components suppliers. Indeed, throughout the world (we have manufacturing and distribution companies in 20 countries) we're continuing to expand and strengthen an 'on-the-spot' network capable of servicing multi-national vehicle manufacturers and local markets alike.

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Phillips Patents midway loss

EQUALLY attributable to its Manchester and Bury factories, Phillips Patents (Holdings) suffered a £11,025 loss for the half year ended September 1, 1979, compared with a £21,495 profit last time. Turnover was down from £2.44m to £2.23m.

Mr. J. A. Rowland-Jones, chairman, says the company is going through difficult trading position, but that directors are hopeful of containing and possibly improving the situation.

Profit for the 1978-79 year was £1,000.

There was no tax charge for the six months, against £11,177, and a small profit arising from the property development companies has been excluded from results.

The last dividend payment was 1p for 1974-78.

Sales at Manchester have not maintained all of last year's 30 per cent increase, the chairman says, and on an annual basis, price rises would put over £350,000 on the company's raw material costs.

The directors are still negotiating the sale of the factory at Bury, and the purchase of another, "and this lengthy process has had a very disruptive effect on our production and sales," Mr. Rowland-Jones states.

He adds that the other factories are trading at a break-even situation.

The necessary resolutions to approve the proposed cancellation of the preference shares and consequential reduction of capital were passed at meetings held on August 30.

Principal activities include the manufacture in rubber and allied materials of components for footwear, manufacture of meteorological balloons, football bladders.

Sogomana falls

Following the record £761,128 achieved in 1978, pre-tax profits of Sogomana Group slipped from £343,062 to £329,327 for the first six months of 1979.

However, after tax of £137,888 (£156,899), stated earnings per 10p share moved ahead slightly from 5.97p to 6.14p. To reduce disparity, the interim dividend is lifted to 3p (2p) net—last year's final was 7p.

Mothercare

everything for the mother-to-be and her baby... and children up to ten.

INTERIM RESULTS

(26 weeks — unaudited)

	28th Sept. 1979	29th Sept. 1978	Increase
Sales (excluding VAT)	£'000	£'000	
UK	63,163	49,928	27%
Europe	8,345	7,466	12%
USA	5,658	4,210	34%
	77,166	61,604	25%
Trading Profit			
UK	9,982	7,291	37%
Europe	708	781	(9%)
USA	(411)	(1,057)	—
	10,279	7,015	47%
Surplus on Disposal of Properties	271	—	—
Profit before Tax	10,550	7,015	—
Tax			
UK	4,921	3,791	—
Europe	340	406	—
USA	—	—	—
	5,261	4,197	—
Profit after Tax	5,289	2,818	86%
Earnings per Share	8.21p	4.37p	—

* The directors have declared an Interim Dividend on the ordinary shares of 1.62p (1978: 1.14p), net of A.C.I. increase of 42.6%. It will be paid together with the net deferred final dividend for 1978 of 0.09654p (1978: 0.02884p) on 2nd January 1980 to shareholders on the register at 30th December 1979. The net amount absorbed by both dividends is £1,106,694 (1978: £750,083).

* Tax on profits has been calculated at 48% (1978: 52%).

* Profit before tax includes investment income less interest paid of £301,000 (1978: £106,200).

* The capital of Mothercare Stores Inc. U.S.A., has been increased by £1,135,000.

* Total exports for the six months were £3,014,100 (1978: £5,987,000) of which £4,910,000 (1978: £3,994,000) were despatched to the group companies overseas.

* European and USA accounts are for the 26 weeks ending 31st August, 1979.

* During the last six months new stores have been opened in Falkirk, Horsham, Milton Keynes, Rochdale, Windsor, Antwerp (Belgium) and Vienna (Austria) in the USA five new Mothercare stores opened and four Mother-to-be stores were closed as planned.

* Number of stores trading at 28th September, 1979 was:
UK 182 (1978: 172)
Europe 20 (1978: 17)
USA 155 (1978: 145)

Mothercare Limited

CHERRY TREE ROAD, WATFORD, HERTS WD2 5SH
Austria · Belgium · Denmark · The Netherlands
Norway · Sweden · Switzerland · United Kingdom
United States of America · West Germany

How The Morgan Bank can help you manage currency exposures



From left: Alastair Hunter-Henderson and Morgan IMM head John Haseltine depart for a client meeting abroad. Roberto Mendova, head of IFM, confers with Rumer de Vries, Morgan's chief international economist; Frank Arisman is in charge of the bank's Foreign Exchange Services in New York.

In today's fast-moving currency markets, a major concern of managing directors and financial officers is the effect of foreign exchange exposures on corporate profits. They need to know what's happening in the markets, what it means to their companies, and what they can do about it. Because every company is different, a one-package service isn't enough.

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Our International Money Management team helps you identify and measure your currency exposures anywhere in the world. IMM can work with you in refining your reporting systems

to monitor exposures, and in setting up a management system to control them.

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The Morgan Bank

Highland Distilleries on target with £4.63m

TAXABLE SURPLUS of the Highland Distilleries Company advanced from £4.08m to a record £4.63m for the year ended August 31, 1979, in line with the forecast of £4.5m made in June with the £8.65m rights issue. First-half profits had risen from £1.71m to £1.92m.

Turnover of the Scotch malt whisky distiller rose by £14.11m to £56.73m, reflecting mainly a further increase in sales of The Famous Grouse.

Sales continue to expand in Scotland and an increasing market share is being obtained in England. Export markets continue to be developed. Mature whisky sales have been maintained and demand for new whiskies shows an upward trend.

Profits included investment income up from £430,000 to £552,000, but were struck after an 89 per cent jump in interest charges to £988,000. Depreciation, less release from development grants reserve took £376,000 (£341,000).

As a result of an exceptional £1.2m deferred tax release this time, there was a tax credit of £674,000 (£59,000 charge) leaving net profits £1.5m higher at £5.5m.

Stated earnings per 20p share, excluding benefit arising from the deferred tax release, are unchanged at 7.7p, but on a comparable tax charge are up from 7.1p to 7.7p. As forecast in June a final 1.55p on increased capital effectively lifts the total from 1.612p to 2.1p net, costing £1.23m (£0.83m).

comment

The feathers of some Highland Distilleries shareholders were slightly ruffled by the tight terms on which the group launched a rights issue earlier this year, but the subsequent

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interim—Anderson's Rubber, Sambars Stores, English National Investment, Fidelity Radio, London Brick, Walter Runciman, Securitus Trust of Scotland, Sheffield Brick, Skitchley, Teyze, Kemsley and Millbourn, Finais—City and International Trust, Ducille Steels, R. P. Martin, Paterson Zochonis.

FUTURE DATES

Interim—

Atkins Brothers (Hosiery)	Dec. 2
Avons	Nov. 1
Chloride	Nov. 14
Eltham (S)	Nov. 28
Harwell	Nov. 7
Porcsmouth and Sunderland Newspapers	Nov. 8
Scott Robertson	Oct. 30
British Assets Trust	Oct. 24
London and Prov. Ship Centres	Nov. 6
Martonair International	Nov. 8
Peachey Property	Oct. 25
Sunge-Battis Rubber Ests.	Nov. 1

strong performance of the share price coupled with a pre-tax profit £100,000 above forecast should have smoothed them out again. For such a company the strain on the balance-sheet of financing stocks of the successful "Famous Grouse" brand and investing in new plant is clearly a cause of concern. Interest charges almost doubled last year and, despite the recent cash-call, they will stay around the £1m mark in the current year. Profits from the brand are rising, however, as a heavy UK promotion campaign starts to pay off and the new 12-year malt should be sold at a very respectable margin. The cloudy

medium-term prospects for the Scotch industry as a whole pose a question-mark over the future, but Highland has plenty of room for expansion on the export front. At 104p the shares trade on a healthy stated p/e of 13—attributable to bid speculation—while the yield is 3 per cent. Dividends are covered over four times at the attributable level, but this incorporates a sizeable deferred tax credit.

HME up in first quarter

PROFITS OF Harrolds Malaysian Estates expanded from £5.85m to £6.45m for the three months ended June 30, 1979, subject to tax of £2.9m against £2.65m.

Harvested crops for the first three months of HME, which is 80 per cent owned by Harrolds and Crossfield, all showed gains, except rubber, palm oil and kernels. Rubber 29,141 tonnes (28,643); rubber 8,498 tonnes (8,929); copra 1,214 tonnes (1,199), and cocoa 1,150 tonnes (919).

For the six months ended September 30, 1979, palm oil and kernel crop fell from 67,339 tonnes to 65,096 tonnes, and rubber was down slightly to 19,653 tonnes (19,808). Copra rose from 2,440 tonnes to 2,663 tonnes and cocoa was just ahead at 2,173 tonnes (2,121).

Attributable balance for the period came out ahead from £3.15m to £3.54m, after minority interests of £10,000 compared with £30,000 previously.

London Scottish Finance record

WITH FINANCE costs increased from £491,060 to £732,113, pre-tax profits of London Scottish Finance Corporation advanced 41 per cent to a record £393,237 for the 53 weeks ended July 31, 1979, compared with the previous year's £311,403. At mid-year, profits were up from £230,785 to £375,465.

Tax for the period takes £222,280 (£169,553), while net profits on the sale of properties reduced from £198,209 to £111,293, leaving the available surplus at £752,241, compared with £661,060.

Earnings per 10p share increased from 6p to 8.2p, and a final dividend of 1.74p makes a total payment of 2.35p net, 68 per cent higher than the previous year's 1.42p equivalent. A one-for-three scrip issue is also proposed.

Dividends absorb £184,754 (£120,651) and retained profit emerged some £17,000 higher at £567,487.

comment

London Scottish Finance has found that arrears soared and collections slumped during the engineers' strike but now the position has reversed. That suggests that profits should recover

quickly after a setback in the opening months of the current year and the upturn should be fuelled by the growth of the cash loans business and credit insurance. With the wider base offered by the Dupont acquisition in the previous year, profits have grown by 41 per cent but, with an impending recession and many external forecasts of rising unemployment, it becomes a moot point as to how many additional customers, willing to take on debt with a true annual interest rate of as much as 36 per cent in some cases, the group can attract. The number of new customers rose by a tenth last year and this was broadly matched by the growth of the average loan. Interest rates are no more than a small proportion of the aggregate overhead, since monitoring and collections are made on regular *le-ort-dur* basis, so London Scottish is reasonably untroubled by a high borrowing base but at 64p, up 3p yesterday, the 5.4 per cent dividend yield stands at a discount to the income available from Provident or Cattle's. Edward Lumley's intentions as to its 25 per cent stake, however, add a speculative pointer to increased links with the Lloyd's broker.

Greencoat profit jumps to £660,000

ALTHOUGH TURNOVER was lower at £2,555m, against £3,855m, pre-tax profits of Greencoat Properties jumped from £217,000 to £660,000 for the year ended June 30, 1979.

Earnings per 5p share picked up from 0.1p to 1.6p, but the directors state that they do not consider a dividend should be paid until the Grancanal development in France is nearer completion. The last payment was 0.13p net in respect of 1974-1975.

Despite the material improvement in the group's position, the directors say the problems in France are not entirely resolved and it is not possible to evaluate the financial effects, if any, of the French court's decision to cancel the building permit for three blocks constructed in 1976.

Although there is a possibility of demolition of the existing buildings, the Board has received legal advice that the risk is minimal. The group is confident that the development will be constructed and substantially sold by the end of 1979, and progress since the year-end has been encouraging.

The group has pursued its policy of selective sales to finance the cost of funding this development. During the year, investment sales totalling £1.7m

were completed, compared with a book value of £1.69m.

The directors add that the proportion of the group's financial and managerial resources which need to be devoted to the Grancanal development is beginning to reduce. In their opinion, further development of properties in the UK portfolio should further improve the group's net worth.

The profit advance reflects an increase in the value of properties held for development in the UK, which enabled the directors to write-back to profit and loss account a £351,000 provision made in previous years.

Group net assets advanced from £1.05m to £2.88m at the year-end.

It does not include a further estimated surplus of £321,000 over book value of properties held for development, as indicated by the revaluation, which has not been taken as profit for the year. Including this surplus would give a total net asset value of 11p per share.

The group has obtained full planning consent for the construction of the development of its Kingston-upon-Thames site, the completion of which is expected to make a significant contribution towards group assets.

London Sumatra 2p interim

FROM TURNOVER of £7.87m, Sumatra Plantations amounted pre-tax profits of London to £1.19m in the six months ended June 30, 1979. Tax takes £382,000 giving earnings per share of 5.06p.

Comparisons are for the previous 12 months to December 31, 1978 and show pre-tax profits of £2.26m from turnover of £15.65m. Stated earnings per share were 7.09p.

The directors are maintaining the interim dividend at 2p per share—last year's total payment amounted to 6p.

First half trading transactions in Indonesia of subsidiaries show turnover of 10.83m rupiahs and pre-tax profits of 1.78m rupiahs. In line with accounting policies, those profits earned in Indonesia are credited in sterling only after, and to the

extent of their remittance to the UK.

In view of this and because of fluctuating currency and commodity prices, the first half figures should not be taken as a reliable basis for calculating the year's results.

Harvested crops in Indonesia and Malaysia (in '000 kgs) show rubber, 9,200 (20,500 for the 1978 year); palm oil and kernels, 18,900 (41,100); coffee, 130 (500); tea 450 (900) and cocoa 130 (140).

comment

London Sumatra is providing interim results for the first time and the move is to be welcomed. Unfortunately the figures take a good deal of working out because Sumatra continues to divide itself into two halves—a UK half and an Indonesian half. Profits from Indonesia are not con-

solidated into the UK figures, only the dividend is included. The reason given for the division is that remittances from Indonesia are restricted by agreement with the Government to put in substantial reinvestment. The argument is not totally without merit but anyone investing in the company will know there is an element of political risk. The high dividend cover would be much more apparent if Indonesian profits were consolidated. At 296p the yield is 2.9 per cent assuming an unchanged final.

RANK

Rank Organisation bought £750,000 of its 41 per cent convertible loan stock 1993 on October 16, leaving \$62,992,000 in issue.

LOCKWOODS FOODS

Cautious optimism despite setbacks

Safer points from the circulated statement of the Chairman, Mr. Philip B. Lockwood.

- An Ordinary Dividend of 4.3043 pence is proposed (4.11996 pence in 1978).
- High production of canned vegetables continued to have an adverse effect on the market for the second half of the year. High interest rates cost £1 million more than the preceding year and the transport strike followed by bad road conditions could have affected profits by not less than a further £450,000. In the current year forward sales booked from June in the United Kingdom show a substantial improvement over the previous year.
- The closure of our meat canning factory at Liverpool has been completed and explains the major part of the extraordinary items in the Group Profit and Loss Account.
- Our meat canning operation in Holland has continued to show improved results. In France a long delay in completion has prevented us from making the best use of both buildings and plant which, however, is now underway.
- The Carbonated Drinks plant at our Italian factory came on stream late but we believe that this plant will cater for a growing demand in Italy and other Common Market countries.
- I cannot at this stage be more specific than to say that the outlook indicates grounds for cautious optimism.

GROUP SUMMARY OF RESULTS

	1979	1978
Profit before Taxation and Extraordinary Items	£906	£900
Extraordinary Items	131	25
Provision for Net Taxation	553	1,148
Profit after Taxation	222	1,078

Secretary and Registered Office: Long Sutton, Spalding, Lincs. PE12 9EQ.

INTER-CITY

Investment Group Limited
Results for the six months ended 30 June, 1979

	Half Year		Year Ended 31 Dec 1978
	Ended 30th June 1979	1978	
Group Turnover	£5,945	£4,737	£9,846
Group Profit including share of profit of Associated Companies before taxation	232	307	700
Taxation	128	157	178
Profit after Taxation	104	150	522
Interim Dividend	56	56	109
Retained Profit	£48	£94	£413

Statement by Mr. J. Harris, Chairman:
Results and Prospects

Group profit, before taxation, amounted to £232,000 for the six months to 30 June, 1979. Uncertainty of supplies for the Wholesale Distribution Division, due to import quotas, necessitated the carrying of abnormally high stocks with resultant higher borrowing. This, coupled with the continued high interest rates both home and abroad, resulted in an increase of £180,000 in interest charges compared to the corresponding period of 1978. Stock levels are falling steadily and are anticipated to return to near normal levels by the end of the year.

Although the Knitting Division made a loss the remedial action to which I referred in my last statement is now having effect and there is every sign that this division will return to contributing to Group profit.

Since June trading generally has become more difficult and this year Board attributes to a drop in consumer demand following the near doubling of the rate of VAT. However, it is expected that the release of income tax repayments this month and the forthcoming Christmas season will lead to an improvement in demand.

Dividend

The Board has declared an interim dividend of 0.6p per share which will be paid on 17 December, 1979, to shareholders on the register at close of business on 15 November, 1979. Copies of the Interim Statement are available from the Secretary.

Inter-City Investment Group Limited,
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مركز الأصيل

Companies and Markets MINING NEWS

Ashton group makes new diamond discovery

BY KENNETH MARSTON, MINING EDITOR

A RIPPLE of excitement ran through the market in Australian diamond exploration stocks yesterday following the announcement by the Ashton consortium headed by Conzinc Riotinto of Australia that a new diamond-bearing province had been discovered in the Kimberley region of Western Australia.

The announcement stated that in the course of exploration sampling of stream gravels, 401 stones weighing a total 60.28 carats had been recovered with the largest stone weighing 4.7 carats.

No samples large enough to allow proper estimation of diamond content had been processed, nor had assessments been made as to the ratio of gem stones to industrial quality.

This find is quite separate from those already made by the Ashton consortium which comprises Ashton Mining 54.2 per cent, Northern Mining 5 per cent, Tannet (Tanks Consolidated) 9.1 per cent and AO (Australia) 4.9 per cent.

The values announced from the latest find bear a similarity to those at the original Ashton venture in that they amount to a multitude of thousands, but very few larger gems.

James Forth reports from Sydney that the latest find is thought to be in the catchment area of the huge Ord River system, south of Kununurra, between the border of Western

Australia and the Northern Territory, and appears to be alluvial. If the find is alluvial it is likely that the gem count will be higher than at the discoveries in the group's kimberlite pipes to the south.

The fact that the stones have been found in surface gravels suggests that the stones have come from a nearby source. CRA admitted that mineral claims had been pegged to cover kimberlite and associated drainage gravels.

Mr. Russell Madigan, CRA's deputy chairman and head of the group's exploration activities, made a special weekend trip from Melbourne to the remote site of the find for a first-hand inspection.

It is understood that CRA has been pegging claims in an area known as Bow Hill, which includes Bow Creek, a tributary of the Ord River.

The latest discovery confounded the market; there had been rumours of fresh diamond finds by the Ashton consortium, but these were reportedly south of Ellendale at Calwynyanda in the Fitzroy area, where pipes containing diamonds are known to have been located.

In London, share prices followed Australia's lead with CRA closing 8p up at 208p, after 210p - thus enhancing the value of its current shares and cash bid for BCL South-West Africa Mining which was 6p higher at 81p after 82p.

claims in the area, rose 5p to 36p.

Westinghouse

THE Australian Government is to take part in the U.S. court case considering anti-trust law breaches involving uranium and molybdenum. The case is possible effect on foreign investment and local uranium companies, Attorney General Mr. Peter Durack said yesterday.

Mr. Durack said that his government would present submissions to the U.S. Court of Appeals in the case involving damages sought by Westinghouse Electric Corporation.

Westinghouse has cited 12 foreign companies and 17 U.S. uranium producers in a civil suit charging that they violated U.S. anti-trust laws by conspiring to fix the price and supply of uranium in the early 1970s.

Four companies, Conzinc Riotinto of Australia, Panconmetal, Mary Kathleen Uranium and Queensland Mines are Australian.

Westinghouse said the damages sought by Westinghouse could amount to several hundred million U.S. dollars. "This amount would be crippling to the Australian companies involved," he added.

Amax to spend \$3bn over the next 5 years

AMERICA'S GIANT natural resource group, Amax, plans capital spending of over \$3bn (€1.4bn) during the next five years. Announcing increased third quarter earnings of \$94.7m in Paris yesterday the chairman, Mr. Pierre Goussard, said that the further capital investment would be in expanded productive capacity of molybdenum, phosphate, iron ore, oil and gas and coal.

The third quarter earnings follow a second quarter's \$91.5m and bring total net earnings for the first nine months of this year to \$262.3m, or \$4.67 per share after allowing for the three-for-two share split made in June.

Net earnings for the same period of 1975 amounted to only \$89.2m. As in the second quarter, the group's latest good performance reflects continued strength in demand for minerals. Higher prices for molybdenum, copper, lead, zinc and oil and gas operations.

Nickel losses were reduced, but smaller profit margins lowered coal earnings while those from iron ore decreased in line with higher operating costs.

Israel potash expansion

ISRAEL'S Government controlled Dead Sea Works is to ask the Ministerial Economic Committee to approve an expansion plan designed to raise potash production by 75 per cent, from the present 1.2m tonnes a year to 2.1m tonnes, in two stages.

The first, involving an increase in output by 50 per cent, at today's prices, of \$82m (£38m) will increase output by 470,000 tonnes a year, and the second by 430,000 tonnes.

BIDS AND DEALS

Allied Breweries sells meat interests to Unigate

BY JAMES BARTHOLOMEW

Allied Breweries is to sell the loss-making British, French and Italian meat manufacturing interests which it bought with J. Lyons last year. Unigate has agreed to pay £9m for the interests which have net tangible trading assets of £25m.

The businesses are Henry Telfer and majority interests in Societe Nouvelle des Etablissements Reybier and its wholly-owned subsidiary Nuova Salumi Boscchi Fratelli Spa. They have size annual turnover of over £70m and employ about 2,500 people.

The trading loss before interest and tax was £2.3m in the year ended March 31, 1979. Telfer and Reybier have traded at a loss since then.

The final consideration will be determined as at completion date by reference to the net tangible trading assets.

These are expected to be about £25m. The purchase price is expected to be about £9m, from which any borrowings will be deducted.

Mr. Keith Showering, chairman of Allied, said yesterday: "Our resources are obviously finite. For the amount of effort and time it would take to put this right we would rather back out winners. It will mean a fairly substantial write-off in our books, but it is very difficult to turn a business like this round."

He added that he was still well pleased with the purchase of J. Lyons. They were making about £25m the year we took them over and we have come up with figures roughly double that. We are not finished by any means. It seems we have

the major problems behind us." While considering the sale a substantial step in the right direction, Mr. Showering added that he hoped and believed the deal would be a good one for Unigate.

Unigate said last night that the deal would give it different things that it wanted. In each of the three countries concerned, in Italy it would give the company a new presence, in France it would provide additional product lines and in the UK, where Unigate already has meat manufacturing interests, Telfer could offer an established place in the catering market.

Unigate agreed that the operations would require extra investment but could not as yet say how much.

Lloyds and Scottish £13m U.S. expansion

Lloyds and Scottish, the UK finance house, is making its first direct move into the U.S. market with a \$27.5m (£12.5m) deal to buy the factoring subsidiary of the Talcott National Group of New York.

In addition, Lloyds and Scottish is to refinance \$50m of intergroup indebtedness of the subsidiary, so that the total sum payable to the Talcott group will be about \$115m. This April, Talcott completed a major restructuring plan designed to restore its financial health.

The subsidiary to be acquired, subject to the usual official approvals, is James Talcott Factors (JTF), one of the major independent U.S. factoring companies. Factoring consists of the purchase of accounts receivable in return for secured advances to clients.

The price consists of \$20.5m for the actual acquisition, plus a further \$7m, after amortisation, for Talcott National's agreement not to compete with James Talcott Factors for a five-year period.

Last year, JTF made a profit of \$13.7m before tax and interest, with a further \$10.8m in the first eight months of 1979. Lloyds and Scottish estimates that the new company should add around \$3.3m to net profits in a full year.

Completion of the deal is expected to take place early next year. Lloyds and Scottish will arrange the refinancing of JTF's debt to the parent immediately, firstly through short-term bank loans in the U.S. and then through the commercial paper market.

Lloyds and Scottish signalled its intention of moving into new fields when it sold its television rental business last December for \$61m. It also paid nearly £10m around the same time for Cedar Holdings, the second mortgage group.

Lloyds and Scottish is being advised by S. G. Warburg and Warburg Paribas Beier, while Talcott's advisers are Hambros.

Stelrad buys AGA offshoot

THE CENTRAL heating subsidiary of Metal Box has acquired the radiator division of the Swedish AGA Group in a deal worth £7.5m.

The purchase, made by Stelrad, include the AGA's radiator marketing companies in Sweden, Austria, Belgium, Holland, Denmark, West Germany and six radiator factories in Sweden, Holland, West Germany and Austria. Two of the factories are based in Sweden and two in Austria.

Sales of the radiator operations were in 1978 approximately £53m (SKr 300m) and earnings about £2m (SKr 18m).

Stelrad was formerly an offshoot of AGA which introduced the radiator radiators into the UK in the 1930s.

Since it became a Metal Box subsidiary in 1973 other acquisitions have been made, including Ideal Standard's boiler business in the UK, Belgium and Austria as well as radiator companies in Holland, France and West Germany.

From a turnover of £8.8m and profit of £2.1m in the year ended March 31, 1978, when Stelrad was acquired by Metal Box, the subsidiary has radiator companies in Holland, France and West Germany.

Stelrad said yesterday that in recent years both AGA and Stelrad had recognised the need to restructure the fragmented continental heating industry, which it has concluded that only Stelrad had the resources and absolute commitment to bring this about.

LOW & BONAR EXPANDS OVERSEAS The formation of a packaging manufacturing company in the U.S. and an agreed offer for a publicly-quoted engineering company in Australia have been announced by The Low and Bonar Group, which operates internationally in packaging, engineering and textiles.

The group has formed Bonar Industries Inc to manufacture and distribute bulk containers. Production will be located in Georgia.

At the same time, Low and Bonar has made an agreed offer of A\$1.12m for Stanger and Company, of Melbourne.

Stanger's taxable profits in the year to June 30, 1978, were A\$163,000, with net tangible assets at A\$1.34m.

FURNACE OFFER UNCONDITIONAL The offer on behalf of Furness Withy and Co. to acquire Met-

Christopher Moran statement

Christopher Moran Group, the insurance broker, and Lloyd's of London issued a joint statement late last night, following Lloyd's invoking of disciplinary procedures against executives and companies within the Christopher Moran Group last Friday.

Christopher Moran is to implement arrangements approved by the Committee of Lloyd's for the continued normal conduct of the group's business over the period for which Lloyd's proceedings are pending against executives and companies.

Christopher Moran has verified that the group's premium trust funds will have a trustee appointed who is not involved in the proceedings. And the group has also authorised auditors Neville Russell to supervise the accounting procedures of the syndicates and to keep the Committee of Lloyd's informed on all matters.

Provincial offer for St. George's

Provincial Laundries has made both a partial and a general offer for St. George's Laundry, five weeks after the termination of merger talks between the companies. Provincial is proposing to offer one of its own shares for every St. George's share, placing a total value of £1.25m on St. George's capital.

The partial offer is for 29.9 per cent of the capital, including the 10.6 per cent which Provincial already holds. The partial offer was necessary because the directors of St. George's, together with their families, have a majority stake in the company.

The board of St. George's is studying the offer but has not yet given a reply. St. George's shares closed 11p higher, yesterday at 48 1/2p, while Provincial finished 1/2p down at 52 1/2p. The offer values St. George's shares at 52.5p.

Zambia Copper Investments Limited

INCORPORATED IN BERMUDA Extracts from the review by the President, Dr. Z. J. de Beer

For the financial year under review profit before an extraordinary item amounted to US\$1,024,000, an increase of US\$285,000 over the previous year. Dividend income was marginally higher at US\$7,000, while profit on redemption of loans amounted to US\$79,000. Interest income and other revenue was US\$56,000 lower at US\$74,000 and the profit arising from currency fluctuations increased from US\$121,000 to US\$473,000.

Total income for the year rose accordingly from US\$2,239,000 to US\$2,533,000. Administration expenses and interest payable totalled US\$878,000 while foreign taxation absorbed US\$631,000 leaving a profit before an extraordinary item of US\$1.02 million compared with US\$0.74 million in 1978. Members will recall that last year US\$2.17 million was provided against a possible decline in the value of investments and loans, of which US\$1.89 million was in respect of the investment in Botswana RST Limited (BRST) and BCL Limited (BCL) and loans to BRST. For the year under review a provision has been made of some US\$2.84 million to cover loans advanced during the financial year to BRST, mainly required by that company to provide funds to BCL to finance phase II of the Selebi-Phikwe project. This provision has been treated as an extraordinary item and, in consequence, the loss after the extraordinary item amounted to US\$1.81 million.

Copper market

I referred in my review last year to the invasion in May 1978 of Zaire's Shaba Province by secessionist forces. The resultant severe dislocation of the mining industry was a major cause of the limitation in western world output of refined copper to a level of 6.9 million tonnes - virtually unchanged from that of 1977. However, increased consumption in the United States, Japan, West Germany and Canada resulted in a six per cent rise to 7.3 million tonnes in consumption in 1978 compared with 1977 and, in consequence, world stocks of copper declined from over 2 million tonnes to approximately 1.7 million tonnes at the end of 1978, while London Metal Exchange (LME) stocks declined from 641,200 tonnes at the beginning of 1978 to 373,650 tonnes at the year end.

By the beginning of September of this year, however, LME copper stocks had fallen to 161,000 tonnes and, three weeks later, had declined further to 157,000 tonnes. This factor, coupled with continuing demand from fabricators, resulted in the LME price rising to £1,100 per tonne towards the end of September.

The market remains volatile and, at the present time, it is difficult to determine any particular trend. The prospects, however, for the development of a strong market for copper in the early 1980's remain encouraging.

The Zambian mining industry

The improvement in the LME copper price, particularly since the beginning of 1979, together with generally higher cobalt revenue in terms of the developments referred to below, have enabled Nchanga Consolidated Copper Mines Limited (NCCM) and Roan Consolidated Mines Limited (RCM) to return to profitability. Operations nevertheless continue to be adversely affected by further losses of experienced technical personnel and by difficulties in the importation of essential equipment and spares because of constraints on the allocation of foreign exchange.

Sales of copper by NCCM for the financial year ended 31st March, 1979 totalled 365,551 tonnes compared with 384,560 tonnes in 1977-78, with an average realisation of K1,159 per tonne as against K1,002 for the previous year. Proceeds from the sale of all metals totalled K488.9 million (previous year K422.1 million). Cost of sales, including a charge for depreciation, amounted to K441.1 million compared - on a restated basis for purposes of comparison - with K440.9 million for 1977-78. After taking into account administrative and other expenses of which net interest payable accounted for K22.3 million, NCCM earned a profit of K25.9 million compared, on the restated basis, with a loss of K16.7 million for the previous financial year.

The benefits of the higher copper prices were not fully enjoyed until the March 1979 quarter, primarily because of continued difficulties with transport to, and congestion at the East African port of Dar-es-Salaam, which led to an increase to record levels in finished copper stocks on the Copperbelt. The position was partially relieved by the decision to re-open the rail link to the south, enabling exports of copper to be shipped to overseas customers via the South African port of East London. Excellent co-operation between the railway authorities concerned, together with the loan of engines to ease traction problems in Zambia have enabled the industry's stocks of finished copper to return to normal levels. The southern route has also become a major factor in meeting Zambia's import requirements. It should be noted, however, that the cost of exporting copper by this route is substantially higher than by the eastern route.

Zaire is the world's dominant supplier of cobalt and the severe reduction in the output of the metal following the Shaba incursion last year coincided with a substantial growth in world demand. The producer price for cobalt of US\$6.50 a pound at the beginning of 1978 was increased by regular and substantial amounts until a level of US\$25 a pound was established in February 1979. This price increase

provides Zambia's copper mining industry, which is the second largest world producer, with significant additional income and profits, particularly in the case of RCM whose new cobalt treatment plant was commissioned at the end of 1978 and is now producing at its rated capacity of 2,400 tonnes a year.

Mr. Durack said that his government would present submissions to the U.S. Court of Appeals in the case involving damages sought by Westinghouse Electric Corporation.

Externalisation of dividends from Zambia As at 30th June 1979, some US\$6.95 million of dividend income, inclusive of accrued interest from the Zambian copper mines, which accrued in the year to 30th June 1978, remained blocked in Zambia. Subsequent to the year end, US\$2.80 million of these funds have been externalised and it is understood from the Zambian Government that the balance of US\$4.15 million will be externalised during the next six months. The amount of US\$2.80 million received to date has been utilised in part repayment of the loan from Minoro. Further details of this loan are provided later in this review.

Future relationship with BRST and BCL

Members were informed in the Press on 17th October 1979 of the particulars of the proposals relating to the existing onerous obligations of the company in regard to BRST and BCL. These proposals form part of a broader scheme for an exchange of investment holdings between Anglo American Corporation of South Africa Limited, (hereinafter "Consolidated Limited, Minerals and Resources Corporation Limited (Minoro), De Beers Consolidated Mines Limited (De Beers) and this company. Full details of the proposals and the anticipated effects on the company and its members, are contained in a circular which is being posted to members separately.

Your board, in accepting these proposals, was particularly conscious of the fact that, even if the balance of the blocked funds in Zambia is externalised during the next six months, the company would still be required to borrow substantial sums from Minoro to meet the balance of the contractual commitments in respect of BRST and BCL. In the absence of the externalisation of blocked funds from Zimbabwe Rhodesia, it is unlikely that the company would be able to service, let alone repay, this loan out of forecast free cash flow. These proposals, in contrast, will eliminate the requirements to borrow funds to meet the contractual commitments to BRST and BCL and should ensure that the company has adequate cash resources to meet its ongoing requirements. In addition, the proposals ensure that in the event that BRST and BCL perform satisfactorily in the future, the company retains the right to repayment, together with interest, of all amounts advanced in terms of the contractual commitments since the restructuring of BRST and BCL in March 1978. At 30th June 1979 these sums, together with accrued interest, amounted to some US\$8.35 million. Were the fortunes of BRST and BCL to improve rapidly in the next few years, it might appear that the interest of ZCI would best be served by retaining the present arrangements with Minoro. However, there could be a very real risk of insolvency if those operations did not enjoy the success presently envisaged, but also that there are no further deterioration in the supply of equipment and the availability of technical expertise to the industry.

The proposals in regard to BRST and BCL, if implemented, will relieve the company of its existing obligations and commitments in relation to those companies, which have placed a very onerous burden on us for some years. However, as detailed earlier, ZCI will have a continuing obligation to De Beers in respect of certain contingent liabilities but will retain its rights not only to the equity interest in BRST but also to the repayment of a substantial proportion of loans advanced to both BRST and BCL.

Future prospects

Dividends from its major investments in NCCM and RCM declined sharply in the financial year to 30th June 1978 and, apart from a small dividend declared by RCM during 1979, of which the company's share amounted to \$30.62 million which was only partly paid for externalised from Zambia in October 1980, no dividends have been declared on these investments.

However, I referred earlier to the fact that both NCCM and RCM have returned to profitability and the overall financial position of the industry should improve, provided that not only the copper price stabilises at, or rises above its present level, but also that there is no further deterioration in the supply of equipment and the availability of technical expertise to the industry.

Copies of this review and the report and accounts are obtainable from the London Office of the company at 40 Holborn Viaduct, EC1P 4JF or from the office of the United Kingdom Transfer Secretaries, Charter Consolidated Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN24 8EQ.

Sime Darby Holdings Limited

NOTICE OF MEETING NOTICE IS HEREBY GIVEN that the Twenty-second Annual General Meeting of Sime Darby Holdings Limited will be held at the Regent Ballroom, The Regent of Kuala Lumpur Hotel, Jalan Imbi, Kuala Lumpur, Malaysia, on Thursday, 15th November, 1979 at 11.30 a.m. for the following purposes:

- To receive and adopt the Directors' Report and Accounts for the year ended 30th June, 1979 (Resolution 1)
- To declare a dividend (Resolution 2)
- To elect the following Directors:
 - Tun Tan Siew Sin S.S.M., J.P. (Resolution 3)
 - Sixto Kalew Roxas (Resolution 4)
 - Wee Cho Yaw (Resolution 5)
 - Michael John Dowdy (Resolution 6)
- To fix the remuneration of the non-executive Directors (Resolution 7)
- To re-appoint Price Waterhouse & Co. as auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 8)

Kuala Lumpur 23rd October, 1979 By Order of the Board F.C. Whiting Secretary

Note: Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint one or more proxies to attend, and on a poll, to vote in his stead. A proxy need not be a member of the Company.

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FLOATING RATE NOTES 1984
For the six months 23rd October, 1979 to 23rd April, 1980
In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 15 per cent, and that the interest payable on the relevant interest payment date, 23rd April, 1980 against Coupon No. 2 will be U.S. \$96.25.
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WE, THE LIMBLESS, LOOK TO YOU FOR HELP
We come from both world wars. We come from Kenya, Malaya, Aden, Cyprus... and from Ulster. From keeping the peace no less than from war we are limbless look to you for help.
And you can help, by helping our Association, BLESSMA (the British Limbless Ex-Service Men's Association) looks after the limbless from all the Services.
It helps, with advice and encouragement, to overcome the shock of losing arms, or legs or an eye. It sees that red-tape does not stand in the way of the right entitlement to pension. And, for severely handicapped and, for the elderly, it provides Residential Homes where they can live in peace and dignity.
Help BLESSMA, please. We need money desperately. And, we promise you, not a penny of it will be wasted.

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NORTH AMERICAN NEWS

Record year for American Medical

By Our Financial Staff
AMERICAN Medical International, the Los Angeles-based health care services company, reported record results for its fiscal year which ended on August 31.

The company, which owns the Harley Street Clinic and Princess Grace Hospital in London, and owns or manages 65 other hospitals around the world, increased earnings by 34 per cent to \$25.3m or \$2.23 per share, from \$18.9m or \$2.49 last year. Revenues rose 25 per cent to \$538m.

Mr. Royce Diener, chairman, attributed these results to growth in U.S. and UK hospital operations, and contributions from the company's health care service divisions. Mr. Diener said he expected AMI to achieve rapid growth for the foreseeable future.

On September 19, the Financial Times erroneously reported that AMI's performance had been "sluggish". This was due to confusion with the results of another company, AM International, which had predicted a period of slower growth.

RESULTS IN BRIEF

Sharp gain at National Can

NEW YORK — National Can, the third largest can maker in the U.S. which also makes glass and plastic containers and food flavourings, had a strong third quarter. Earnings totalled \$17.67m or \$1.33 a share, compared with \$3.06m or 30 cents a share for the corresponding period of 1978, on sales of \$327.6m against \$288.6m.

Net earnings for nine months were \$38.51m against \$16.65m. Colt Industries, the steel, engineering and aerospace group, lifted nine-month earnings from \$4.60 to \$8.36 a share, as did Pennwalt, the chemicals combine, from \$3.48 to \$3.81 a share.

Higher nine-month earnings are also announced by Republic of Texas, the bank holding company, up from \$2.51 to \$3.04 a share, and Spring Mills (textiles), \$2.85 a share against \$1.29 previously.

Foreign operations boost Exxon's third quarter

BY DAVID LASCELLES IN NEW YORK

A STRONG 118 per cent earnings gain was reported yesterday by Exxon, the world's largest oil company. But the group sought to defuse any sharp US public reaction to this figure by emphasising that virtually all this increase had come from its foreign operations.

In the third quarter, net income amounted to \$1.15bn, equivalent to \$2.60 a share, up from \$525m or \$1.18 a share in the corresponding period last year. Revenue increased by 30 per cent to \$20.6bn.

This sharp increase brought its nine months earnings to \$2.9bn, equal to \$6.64 a share — up 53 per cent from last year's \$1.9bn or \$4.28 a share. The gain was partly due to last year's poor third quarter when earnings declined 15 per cent on foreign exchange losses. Exxon also benefited this year from changes in UK inventory tax.

Mr. C. Clifton Garvin, chairman, stressed that the company's U.S. operations had shown only small growth because higher prices were more than offset by higher costs of both domestic and imported crude.

For the nine months, U.S. petroleum and natural gas operations earned \$1.17bn, up only 2.5 per cent on 1978. By contrast, foreign exploration and production earnings were up 23 per cent, and refining and marketing were up nearly 200 per cent.

Exxon's international marine operations continued to show a loss. But its worldwide chemical business increased its earnings by 69 per cent to \$320m from abroad.

Exxon noted that although the quarter included its recent acquisition of Reliance, the electric motors manufacturer, this had little effect on its earnings. Reliance is still being carried as an investment, pending appraisal of its assets and liabilities, Exxon said.

based on a proposed takeover by a group of Arab investors led by Mr. Roger E. Tamraz. The Tamraz group, Arabian Seoil, is a Luxembourg-based holding company. Commonweath, which reached an agreement in principle with the Tamraz group last March, said the agreement approved by its Board includes the principal elements of the Arabian Seoil proposal on which Commonweath based the plan filed with the bankruptcy court.

Mr. C. Edward Hardisty, Commonweath's president and chief executive, said the signing of the definitive agreement will take place when Seoil also signs a definitive agreement with Commonweath's bank group.

Sales in the 1979 third quarter were \$352.2m, up from \$246m a year earlier. Nine months earnings were \$82.6m, or \$5.42 a share, after an extraordinary credit of \$11.3m, or 75 cents a share, for use of tax credits. This compares with a net loss of \$693,000 or 13 cents a share, for the comparable period, after an extraordinary credit of \$1.9m sales for the first three quarters were \$898.3m, compared with \$695.8m. Agencies

Corco approves Seoil deal

NEW YORK — Commonweath Oil Refining (Corco) announced third quarter earnings of \$20.2m, or \$1.32 a share, after an extraordinary charge of \$5m, or 20 cents a share for use of tax-loss carry-forwards, compared with \$2.1m, or 12 cents.

Commonweath also announced that its directors have approved a definitive agreement of reorganisation between Arabian Seoil Corporation and Commonweath under which Commonweath could emerge from bankruptcy proceedings.

Last July, Commonweath filed a plan for paying its debts with the Federal Bankruptcy Court in San Antonio, Texas.

take place when Seoil also signs a definitive agreement with Commonweath's bank group.

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Armco heads for peak profits

BY OUR FINANCIAL STAFF

ARMCO, the U.S. steelmaker, raised its net operating profits by 15.3 per cent in the third quarter, to \$57.5m, or \$1.26 a share, from \$49.95m, or \$1.07 a share in the same period last year. The 1978 third quarter figures exclude a non-recurring gain of \$10.2m, or 23 cents a share, from the sale of investments. Sales rose by 13.2 per cent to \$1.29bn, from \$1.14bn.

The company, a major producer of stainless and specialty steels, expects record profits for the year although profits growth in the third quarter was slower than in the first half. It also believes that fourth quarter net income will be below the \$1.26 a share of the third quarter.

Earnings a share for 1978 were \$4.28, against the record of \$4.43 made in 1974. Profits in the current quarter, it is thought, will be held down by weakness in demand for flat rolled steel, which is expected to continue into the first half of next year.

Armco's National Oil Company division, which supplies oil company goods, however, is expected to maintain business at or near capacity throughout 1980 and well into 1981.

For the first nine months of 1979, operating income showed a gain of 24.6 per cent to \$176.48m, or \$3.85 a share, from \$141.66m, or \$3.05 a share, in the comparable part of 1978. Sales for the first three quarters were up 17.5 per cent to \$3,766m, from \$3,202m.

Earnings slide brings top change at Zenith

By Ian Hargreaves in New York

ZENITH RADIO, hit by falling profits and fierce foreign and domestic competition, has turned to a 68-year-old former chairman in an attempt to regain lost ground.

Mr. S. Wright took over at the weekend as chairman, after the resignation of Mr. John Nevin, the former marketing vice president for the Ford Motor Company. Mr. Nevin is to pursue "interests outside the electronics industry."

Mr. Wright was chairman of Zenith between 1968 and 1976, since when he has played an elder statesman role as head of the executive committee of the Board of Directors.

During Mr. Wright's chairmanship, Zenith captured 24 per cent of the U.S. colour television market, but the most recent survey by the Television Digest journal puts its share at around 20 per cent—a full point behind RCA, against which Zenith has been fighting a fierce high street battle on TV prices.

But the real damage to Zenith has been done by the Far East television manufacturers who, in spite of quotas restricting their imports, are gaining an increasingly strong hold on the U.S. market.

Mr. Wright is forecasting total production of colour sets in the U.S. this year at 10.7m units but says that this figure will include a record 2.5m units of sets manufactured in the U.S. by subsidiaries of Japanese companies.

This compares with U.S. production by the Japanese of 1.7m sets last year. Sales direct from Japan, Korea and Taiwan are expected, however, to fall this year from 2.5m to 1.8m.

Zenith has attempted to counter these trends by setting up sub-manufacturing bases in Mexico and Taiwan but this has not prevented earnings from sliding. Last week is reported a 17 per cent drop in third quarter earnings from \$6.4m to \$5.3m.

EUROBONDS

Dollar sector worst hit in overall market decline

BY FRANCIS GHILES

EUROBOND prices declined in all major sectors of the market yesterday. Straight dollar bonds posted the largest falls, averaging 1 to 2 full points, the three and six-month Eurodollar rates climbed to a record high of 15 1/2 per cent, up 1/2 per cent on Friday's closing levels.

A number of dealers remain convinced that the rise will continue and thus expect further falls in bond prices. However investors were selling, rather than dealers marking down prices, straight dollar bonds fell sharply. For instance, the Dow Chemical 9 1/2 per cent bond of 1994 fell by two and a half points on the day to 86 1/2.

offering unattractive yields: a prime name like Michelin offers only 11.72 per cent for a 10 per cent bond of 1989. Few such bonds yield more than 12 per cent. Hence the feelings that prices still have some way to drop.

In the floating rate note sector, prices declined but only by a fraction if compared to the straight dollar sector. Rumours of new issues circulated, the most interesting of which concerned a \$25m FRN for the UK Co-operative Bank. The lead manager is expected to be London and Continental Bankers, which would be the first time this bank has led a Euro-dollar bond issue.

abroad remained in the Deutsche-Mark sector where investors have disappeared. Prices in the secondary market fell by about 1/2 a point across the board yesterday, but dealers said volume was thin.

At its monthly meeting, the German Capital Markets Subcommittee decided that only four issues would be launched between today and November 12, amounting to DM 450m. Some of these are re-announced from last week when four issues failed to appear because of the poor state of the market. Last month's new issue calendar initially had been set at DM 950m. Overall, DM 625m worth of new D-Mark bonds were floated.

Joint east-west banking venture

BY JOHN EVANS

A GROUP of European and Japanese banks and the National Bank of Hungary will establish eastern Europe's first joint venture commercial bank early next month.

The bank will be founded in Budapest on November 9. Creditanstalt Bankverein, one of the Western participants, confirmed in Vienna yesterday. The bank is likely to be named the Central European

International Bank, with 66 per cent Western participation and 34 per cent Hungarian.

It will offer a full range of international banking facilities but will not be allowed to deal in Hungarian forint and Soviet rouble business. As well as Creditanstalt, the western partners are Banca Commerciale Italiana, Bayerische Vereinsbank, Long-term Credit Bank of Japan, Societe

Generale and Taiyo Kobe Bank. Each will have an 11 per cent participation.

These banks represent some of Hungary's traditional trading partners and originate the idea of an offshore bank in Budapest. The new bank is expected to begin operations early next year with a \$20m starting capital and a subordinated loan of \$15m.

Manufacturers Hanover sees upturn

BY OUR FINANCIAL STAFF

MANUFACTURERS Hanover Corporation, owner of the third largest bank in New York City, expects "a very good fourth quarter."

Mr. John F. McGillivuddy, chairman, said at a meeting in New York. In last year's fourth quarter, the com-

pany had income before securities' transactions of \$43m. Mr. McGillivuddy said he does not see a severe credit crunch resulting from the Federal Reserve's anti-inflation actions.

He said that Manufacturers Hanover intended to remain active in all credit areas.

The chairman said that the bank will practice "selective restraints" in its lending practices. "We won't finance speculative or purely financial transactions, including most acquisitions," he said.

U.S. QUARTERLIES

Table with columns: Company, 1979, 1978, % Change. Includes SAUSCH & LOMB, COMMUNICATIONS SATELLITE, FIELDCREST MILLS, GATX, IC INDUSTRIES, PARKER DRILLING, HYDER SYSTEM, SCHERING PLOUGH, WHITE MOTOR, WHITE PAPER.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Table of international bond issues with columns: U.S. DOLLAR STRAIGHTS, U.S. DOLLAR CONVERTIBLES, OTHER STRAIGHTS, FLOATING RATE.

Table of international bond issues with columns: SWISS FRANC STRAIGHTS, SWISS FRANC CONVERTIBLES, CURRENCY CONVERTIBLES.

* No information available—previous day's price. † Only one market maker supplied a price. Straight Bonds: The yield is the yield in redemption of the bond... Floating Rate Notes: Denominated in dollars unless otherwise indicated... Convertible Bonds: Denominated in dollars unless otherwise indicated...

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Vertical text on the right edge of the page, including 'UNIVERSITY' and other markings.

Daimler-Benz turnover up 16%

BY ROGER BOYES IN BONN

DAIMLER-BENZ, the West German quality car and commercial vehicle manufacturer, is expecting a good result this year, thanks to continuous high demand at home and abroad.

Production of passenger cars was up by 11.3 per cent in the first nine months over the same period in 1978. Domestic orders for passenger cars admittedly registered a slight drop in growth, but Daimler-Benz explained this in the backlog of orders which accumulated during 1978-79, when demand was unusually strong.

Daimler-Benz intends to step up its investment this year to DM 1.6bn from DM 1.5bn in 1978 in the parent company and to DM 1.5bn from DM 1.5bn for the group as a whole.

The Flick group, which sold part of its stake in Daimler-Benz for DM 1.9bn almost five years ago, has meanwhile announced an important addition to its executive Board.

Poclair back in the black in first half

By Terry Dodsworth in Paris

POCLAIR, the French construction machinery company, has pulled out of a long period of heavy losses to report net profits of FFr 20.2m (\$4.8m) for the first six months of the year.

These results, after depreciation and provisions, compare with a loss during the same period of FFr 29.4m.

The turnaround at Poclair comes two years after 40 per cent of the company was acquired by the Case-Tenneco Group of the U.S.

Overseas, the market remains extremely competitive, according to M. Pierre Batille, chairman of the group.

Poclair intends launching its products in the U.S. in the near future. Some 65 per cent of its sales are at present in export markets.

Other main shareholders in the company are the Battelle family, and the Renault, Peugeot-Citroen and Volvo motor groups.

Parent company figures also released yesterday show an 18 per cent increase in turnover to FFr 969m and a net profit of FFr 14m.

MAN confirms Danish venture

BY HILARY BARNES IN COPENHAGEN

THE WEST GERMAN truck and engineering group Maschinenfabrik Augsburg-Nuernberg (MAN) confirmed yesterday that it is to establish a new Danish company jointly with the financially troubled Danish shipbuilding concern Burmeister and Wain (B and W).

The new company will effectively group the more profitable parts of B and W, taking over the production and marketing of its marine diesel motor business.

MAN and B and W will each hold 40 per cent of the new company, and the remaining 10 per cent has been offered to the Norwegian industrialist Otto Grieg Tidemand, a shipowner and the main shareholder in the Frederikstaad Mekaniske Verktast shipbuilding group.

MAN confirms Danish venture

BY HILARY BARNES IN COPENHAGEN

THE NEW COMPANY expected to have a turnover of some DM 330m (\$114m) and will employ 2,700 workers. MAN also confirmed that it is to make a DM 25m bridging loan to B and W, which will be incorporated into the purchase price of its stake in the joint venture.

The B and W motor operations include the divisions which manufacture and develop large slow-speed marine diesels, and two wholly-owned subsidiaries, Holey Diesel and Alpha Diesel, which make smaller marine diesel engines and propulsion systems.

Together these units have a turnover of about Dkr 1bn, or almost half the group's total turnover, and employ about 2,300 people.

B and W ran into serious financial difficulties this year as a result of the weak market for its large marine diesel engines and a lack of orders to the shipyard.

Mr. Paul Madsen, B and W's chairman, said yesterday that the agreement with MAN would be of the greatest significance for the future development potential of the motor activities, as well as for the group as a whole.

The agreement with MAN specifies that the separate identity of B and W Motors is to be maintained and that neither jobs nor production will be moved out of the country, Mr. Madsen said.

Nationale Nederlanden purchase

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH insurance group Nationale Nederlanden (NN) will take a 10 per cent stake in the share capital of the coffee, tea and tobacco group Douwe Egberts (DE). NN is to acquire 100,000 of the coffee company's existing FI 10 nominal value shares for FI 520 per share.

This purchase is for investment purposes only, and NN will have no influence on Douwe Egberts' policies, DE's management said. The shares have been provided by the members of the DeJong family, whose holding will then be reduced to 25 per cent.

The remaining 65 per cent of the company's shares are owned by the U.S. group Consolidated Foods, which bought into Douwe Egberts when the Dutch company ran into a difficult patch in 1977. Under the agreement

Nationale Nederlanden purchase

BY CHARLES BATCHELOR IN AMSTERDAM

enable this placement to go ahead, DE will change its legal form from that of a private limited company, or BV, to that of an open limited company or NV.

Douwe Egberts plans to more than double the capacity of its coffee roasting subsidiary Kanis and Gunnink at a cost of FI 15 to FI 20m. This company at present produces 150 tonnes of coffee a week.

Douwe Egberts made a net profit of FI 143.3m (\$71m) in the 18 months to June, 1979, on turnover of FI 3.14bn (\$1.58bn). It is changing to a year ending in June to bring it into line with Consolidated Foods. Profit in the 12 months ending in June was FI 104.9m on sales of FI 2.12bn, compared with profits of FI 42.2m and sales of FI 1.94bn in the 12 months ended December, 1977.

These amounted to LuxFr30m (\$14.9m) and followed on from a similar deficit in the second half of 1978, when a total loss of LuxFr1.9bn was incurred.

The company's crude steel production during the first nine months of this year rose by 6.7 per cent to 9,466 tonnes, with the parent company contributing 3,366 tonnes. First half group sales were 21.4 per cent higher at LuxFr22.5bn.

Wartsila stays on target

By Lance Keyworth in Helsinki

THE FINNISH diversified shipbuilding and engineering company, Oy Wartsila AB, kept to its budgeted targets in the first eight months of the current year. Turnover of the parent company was FM 922m (\$247m), 3 per cent of the January-August 1978 total. The corresponding result for the whole Wartsila group including subsidiaries was FM 1,078m, an increase of 5 per cent on 1978.

The reason for the lower result of the parent company was fewer ship deliveries this year than last, as forecast.

Operations are in Canada, the UK and Venezuela, he notes, "but we have a number of smaller companies distributed throughout Latin America. We see rapid growth in the years ahead in some of these developing nations and we are working on making systems that lend themselves to the lower output and lower investment requirements of these emerging economies."

American Can believes that the U.S. can market will grow at a rate of 2.4 per cent over the next five years while foreign markets should expand at a 6.5 per cent rate over the same period. In the decade ahead, says the company, more than 50 per cent of the total worldwide can volume will be produced and used outside the U.S.

Mr. Alexander, senior vice chairman, "We are looking for leadership in growing markets." In the past, much of the packaging growth has been in Europe. But now, he adds, "the greatest growth area is in Latin America and we see the Pacific Basin and Africa offering the greatest growth opportunities in the future."

Triumph-Adler bids for Pertec Computer

By Our Financial Staff

TRIUMPH-ADLER, the West German office equipment and computer group controlled by Volkswagen, is to bid for Pertec Computer Corporation in a deal which values the U.S. company at \$117m.

The Pertec board has agreed to the move, and in a statement yesterday described the Triumph-Adler offer, which is worth \$16.5 a share, as more favourable than that from North American Philips which in August offered to purchase 45 per cent of Pertec at \$15 a share.

The offer for Pertec cuts directly across the U.S. ambitions of the Dutch electrical giant, Philips which is the controlling shareholder (52 per cent) in North American Philips.

Mr. Ryal R. Poppa, chairman, president and chief executive officer of Pertec, said in Los Angeles yesterday that the acquisition would be accomplished through a cash tender offer by a U.S. subsidiary of Triumph-Adler to be followed by a cash merger.

Mr. Poppa said that Triumph-Adler had stressed that no West German exchange control or other approvals remain to be obtained.

Arbed predicts continued loss

By Our Financial Staff

ARBED, the Luxembourg steelmaker, will not break even in 1979, Mr. Emmanuel Tesch, the chairman, told a Press conference over the weekend.

Speaking in Luxembourg, Mr. Tesch reversed expectations of a poised result from the company this year. He explained that Arbed was finding it extremely difficult to compensate fully for the losses of the first half of the year.

These amounted to LuxFr30m (\$14.9m) and followed on from a similar deficit in the second half of 1978, when a total loss of LuxFr1.9bn was incurred.

The company's crude steel production during the first nine months of this year rose by 6.7 per cent to 9,466 tonnes, with the parent company contributing 3,366 tonnes. First half group sales were 21.4 per cent higher at LuxFr22.5bn.

Wartsila stays on target

By Lance Keyworth in Helsinki

THE FINNISH diversified shipbuilding and engineering company, Oy Wartsila AB, kept to its budgeted targets in the first eight months of the current year. Turnover of the parent company was FM 922m (\$247m), 3 per cent of the January-August 1978 total. The corresponding result for the whole Wartsila group including subsidiaries was FM 1,078m, an increase of 5 per cent on 1978.

The reason for the lower result of the parent company was fewer ship deliveries this year than last, as forecast.

Triumph-Adler bids for Pertec Computer

By Our Financial Staff

TRIUMPH-ADLER, the West German office equipment and computer group controlled by Volkswagen, is to bid for Pertec Computer Corporation in a deal which values the U.S. company at \$117m.

The Pertec board has agreed to the move, and in a statement yesterday described the Triumph-Adler offer, which is worth \$16.5 a share, as more favourable than that from North American Philips which in August offered to purchase 45 per cent of Pertec at \$15 a share.

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Tanabe Seiyaku dividends lost to SMON payments

BY YOKO SHIBATA IN TOKYO

TANABE SEIYAKU, one of the leading pharmaceutical companies, is to pass its interim and final dividends as a result of special losses caused by the payment of compensation to SMON (subacute myelo-optic neuropathy) victims.

The SMON litigation recently resulted in complete settlement after eight years and four months, following the general agreement reached between SMON plaintiffs and the Government, Tanabe Seiyaku, Takeda Chemical and Nihon Ciba-Geigy.

Under the agreement, compensation for a total of 5,200 plaintiffs (claimed by the end of August) ran to Y110bn (\$476m), of which the state bears Y40bn and the rest is shared by the three pharmaceutical companies which once marketed intestinal drugs containing quinolone.

Tanabe Seiyaku has to bear the heaviest burden of Y32bn (including Y8bn paid in the previous year) for 2,500 plaintiffs. Takeda Chemical and Nihon Ciba-Geigy will jointly bear Y38bn worth of compensation, since Nihon Ciba-Geigy manufactured quinolone for Takeda Chemical.

In the first half of the financial year, to October 31, Tanabe plans to pay Y7.5bn in compensation. As a result, an interim deficit of Y3.6bn (\$125m) is expected.

The company is known for its self-developed drugs (around 70 per cent of its sales range). Helped by a steady rise in sales of Herbesser (heart drug) and Hopale (nervous system agent) its interim sales are estimated at Y33bn (\$225m), up 8 per cent.

The relatively high profitability of its established drugs as well as newly developed ones, is reflected in the company's operating profits being expected to rise by 53 per cent to Y4.2bn. This upsurge is expected to meet the interest payment burden incurred from its Y10bn of borrowings from its related banks in the previous fiscal year in preparation for its prospective compensation to SMON victims.

For the second-half ending April, Tanabe is confident of maintaining sales and profits at the same level as those in the first half. However, those compensation payments for SMON victims in the second half may reach Y16.5bn. The company plans to offset Y4bn by its operating profits in the half, Y5bn to Y6bn by selling securities and other assets, and the rest by borrowing: the Government's SMON relief funds. The company forecasts that its net deficit for the year will reach Y10bn.

Daiei, Japan's largest supermarket chain, has ended a three year dispute with the department store operator, Juyi, with an agreement to divest the largest part of its shareholding, Richard C. Hanson writes from Tokyo.

Daiei will sell all but 7 per cent of its present 24.8 per cent share of Juyi's stock to third parties, thus becoming the second largest shareholder after Marubeni, the trading house.

Three years ago Daiei, which is based in Osaka, attempted to increase its shareholding, hoping to establish a tie-up with the Tokyo-based Juyi, enabling it to use Juyi's sales network to expand into the Tokyo region. Juyi declined the offer.

Under the agreement announced last week, Daiei will assign some part-time directors to Juyi's board of directors.

SASOL ALLOCATIONS

Several methods under scrutiny

BY QUENTIN PEEL IN JOHANNESBURG

SASOL, THE South African oil-from-coal concern, is wrestling with the decision of how to allocate its 17.5m shares on offer among 90,000 applications, for 547m shares, worth R1,09bn (US\$1.3bn).

The 31-times over-subscription for the issue, which closed on Friday, was caused by a flood of small applications from individual investors, combined with unprecedented international interest, and the expectation that it would be oversubscribed. Having deliberately wooed both small investors and foreign investors—the former with promises of preferential treatment, and the latter with special dispensation to use financial Rand and to borrow from South African banks—the Sasol Board must now decide whom to disappoint.

Mr. David de Villiers, chairman of the company, also went out of his way to smooth potentially disappointed South African investors. He emphasised the stake in Sasol already allocated to pension funds and insurance companies—the former with 1.25m policies, the latter with 8.5m policies—in the earlier R490m (US\$585m) private placement, which amounted to R307m (US\$368m). That amount was already effectively allocated to the man in the street, he argued.

It is understood that three different allocation formulae are being considered by the Sasol board. Mr. de Villiers said that a decision would not be announced before Friday—although bankers associated with the issue believe an announcement could be made by Wednesday.

The shares are due for listing on October 31, and appear certain to be bid well above their 200 face value.

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MoDo forecasts sustained recovery

BY VICTOR KATZETZ IN STOCKHOLM

THE SWEDISH pulp and paper group MoDo forecasts in its interim report a continued strong recovery and 1979 pre-tax earnings of at least SKr 220m (\$52m) against a loss last year of SKr 159m.

Eight-month earnings totalled SKr 125m (\$30m) compared with a loss of SKr 164m. "The remaining months of the year are expected to be the best in 1979 in terms of profits," the company said.

Sales during January-August rose by 25 per cent to SKr 2,01bn (\$497m), and operating profit was SKr 239m, against a loss of SKr 39m.

MoDoCell, the pulp subsidiary, showed eight-month turnover of SKr 1bn, up 23 per cent. Due to strong demand and higher prices, its operating earnings totalled SKr 151m compared with a loss of SKr 50m.

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MoDo predicts that the reduction of its interest-bearing debts and the increase in its liquid funds between the spring of 1978 and the end of this year will together total nearly SKr 500m.

CURRENCIES, MONEY and GOLD

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound sterling against various currencies on October 22, 1979. In some cases market rates have been calculated from those of foreign currencies to which they are tied. Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Table with columns: PLACE AND LOCAL UNIT, VALUE OF £ STERLING, PLACE AND LOCAL UNIT, VALUE OF £ STERLING, PLACE AND LOCAL UNIT, VALUE OF £ STERLING. Lists various countries and their exchange rates with the pound.

Dollar firm in quiet trading

TRADING WAS generally dull in currency markets yesterday as the market registered some surprise after the weekend because neither the U.S. nor Japanese authorities announced a rise in their discount rates. However the dollar remained firm as Euro-dollar interest rates were pushed higher. The three and six-month rates were both firmer at 15 1/2-15 3/4 per cent. However the U.S. currency started trading with a slightly softish undertone, but soon recovered in very narrow trading to finish on or around its best level.

THE DOLLAR SPOT AND FORWARD

Table with columns: Oct. 22, Day's spread, Close, One month, Three months, % change. Shows dollar spot and forward rates for various countries.

THE POUND SPOT AND FORWARD

Table with columns: Oct. 22, Day's spread, Close, One month, Three months, % change. Shows pound spot and forward rates for various countries.

CURRENCY RATES

Table with columns: Oct. 19, Bank rate, Special Drawing Rights, European rate, Oct. 22, Bank of England, Morgan Guaranty, Index change. Shows various currency rates and movements.

OTHER MARKETS

Table with columns: Oct. 19, £, \$, SDR, Note Rates. Shows rates for various international markets.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: ECU, Currency unit, % change, % change, Divergence limit. Shows EMS European Currency Unit rates.

EXCHANGE CROSS RATES

Table with columns: Oct. 22, Pound Sterling, U.S. Dollar, Deutsche Mark, Japan's Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc. Shows exchange cross rates.

EURO-CURRENCY INTEREST RATES

Table with columns: Oct. 22, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian \$, Singapore Yen. Shows Euro-currency interest rates.

INTERNATIONAL MONEY MARKET

European rates firm Slight rise

European short-term interest rates continued to rise yesterday against a background of nervousness about a possible rise in the German Bundesbank Lombard rate this week, while an increase of up to one per cent in the Bank of Japan's discount rate is expected within the next few weeks.

Table with columns: Oct. 22, Gold Bullion (fine ounce), Gold Coins. Shows international money market data.

UK MONEY MARKET

Extreme help

supply in the London money market and the authorities gave extremely large assistance by buying a moderate amount of Treasury bills and a small number of local authority bills from the discount houses, and by lending a very large amount overnight to seven or eight houses at Bank of England Minimum Lending Rate of 14 per cent.

LONDON MONEY RATES

Table with columns: Oct. 22, Sterling, Local Authority, Finance House, Discount, Eligible, Fine. Shows London money rates.

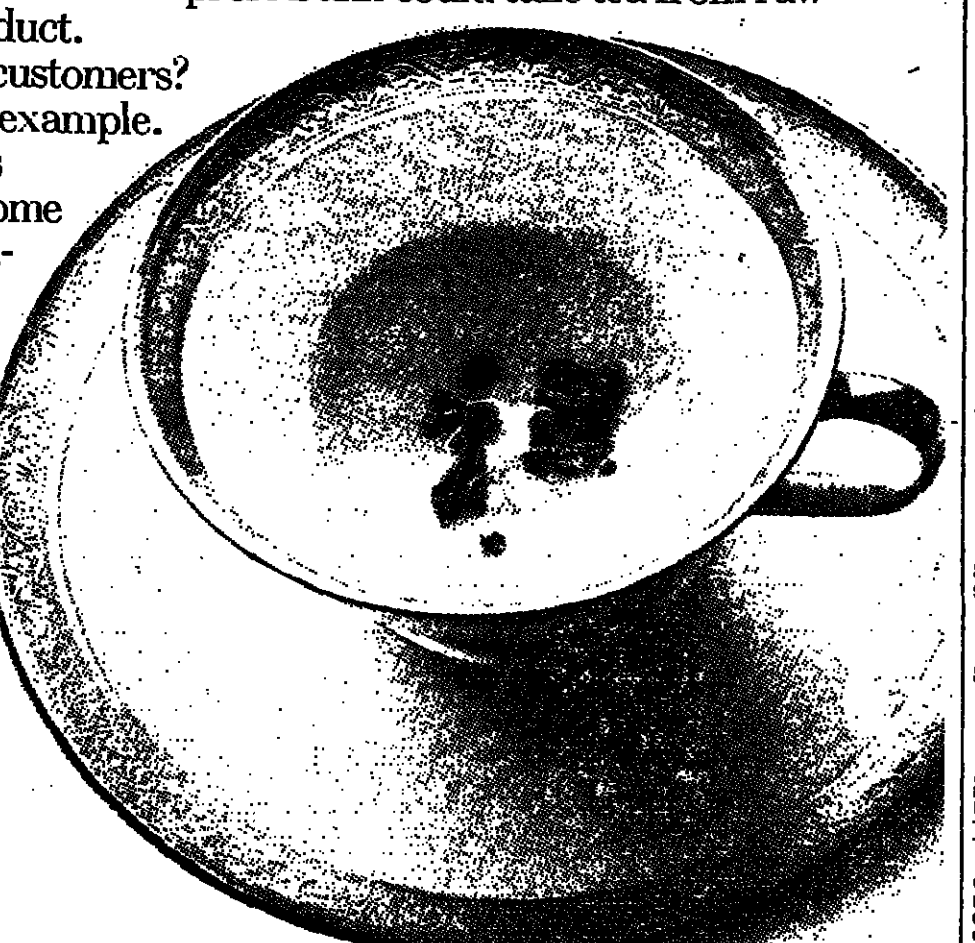
Our banker saw a future in this cup of tea.

American Express International Banking Corporation finances tea—all the way from tea garden to teacup. We finance the crop from tea garden to warehouse to auction. We finance the exports. Our term financing allowed this tea plantation to develop closer spacing of tea plants, boosting the yield per acre. And we haven't stopped there.

When the tea arrives in England, our bankers in this country finance the imports, the processing, the packaging, and the sale. Only an established international banking network could handle both ends of this transaction.

Only a bank like American Express Bank could take tea from raw material to finished product. The results for our customers? Take the tea grower, for example.

Since we became his banker in 1967, he's become one of the largest exporters of tea in Asia. Maybe we can help you build your future.



MONEY RATES

Table with columns: NEW YORK, GERMANY, FRANCE, JAPAN. Shows money rates for various countries.

FRANCE

Table with columns: Discount Rate, Overnight Rate, One month, Three months, Six months. Shows French money rates.

JAPAN

Table with columns: Discount Rate, Call Rate, Bills Discount. Shows Japanese money rates.

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مكاتبنا في لندن

CHARTER CONSOLIDATED LIMITED
NOTICE TO HOLDERS OF SHARE WARRANTS TO BEARER
SCHEME OF ARRANGEMENT AND RELATED TRANSACTIONS
PROPOSED RESTRUCTURING OF THE COMPANY

Shareholders were informed by press announcement dated 16th October, 1979 of proposals for a Scheme of Arrangement between the Company and its shareholders and related transactions providing for the disposal of certain investments, mainly in Southern Africa and including its entire interest in Anglo American Corporation of South Africa Limited (AAC) and Anglo American Investment Trust Limited, the consideration for which would be investments and cash. The investments forming part of the consideration comprise shares in Minerals and Resources Corporation Limited (Minorco) (to be issued direct to shareholders of the Company), and investments in certain United Kingdom and European companies to be held by the Company, in particular shares in Johnson Matthey & Co. Limited.

The proposals will involve reduction of the capital of the Company and shareholders will receive shares in Minorco on the basis of one new Minorco share for every four shares held in the Company to compensate for this reduction. The arrangements include an independent offer by AAC and De Beers Consolidated Mines Limited to purchase from shareholders at a price of US \$4.65 per share any Minorco shares to which shareholders become entitled but do not wish to retain.

These proposals will be submitted to shareholders in the form of a Scheme of Arrangement under the Companies Act 1948 at meetings of shareholders and loan stockholders convened pursuant to the direction of the High Court of Justice and at a separate Extraordinary General Meeting of shareholders. Notices of these meetings, which will be held on 14th November, 1979 are set out below.

Holders of share warrants to Bearer are advised to consult immediately the bearer reception office of the company or any of the paying agents, at the addresses listed below, where copies of the Scheme of Arrangement and

other necessary documents are available during normal business hours. The Scheme document, which was posted to registered shareholders on 22nd October, 1979 gives full details of the proposals and of the action to be taken by shareholders to enable them to vote at the meetings and establish their right to shares in Minorco. In particular, bearer shareholders should note that they will be required to surrender coupon Number 29 detached from their share warrants to Bearer and to comply with other formalities in order to obtain their new Minorco shares (which may be claimed in the form of share warrants to bearer for a period of 2 years but thereafter only registered shares will be issued), and to avail themselves of the cash offer therefor, which is only available for acceptance until 3 p.m. on 14th November, 1979.

Bearer reception office — 40 Holborn Viaduct,
 London EC1P 1AJ.
 Paying agents — Credit Lyonnais,
 19 boulevard des Italiens,
 75002 Paris,
 and
 Banque Rothschild,
 21 rue La Fayette,
 75009 Paris.

By Order of the board
 D. S. Booth,
 Secretary.

22nd October, 1979.

IN THE HIGH COURT OF JUSTICE No. 003081 of 1979.
CHANCERY DIVISION
MR. REGISTRAR HUNT
IN THE MATTER OF CHARTER CONSOLIDATED LIMITED
 and
IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that by an Order dated the 17th day of October, 1979 made in the above matters the Court has directed separate Meetings of:—

- the holders of the 5 per cent. Convertible Unsecured Loan Stock 1984 of Charter Consolidated Limited (hereinafter called "the Company");
- the holders of Shares of 25p each of the Company credited as 1p paid up (hereinafter called "the Charter Partly Paid Shares"); and
- the holders of Shares of 25p each of the Company credited as fully paid up (including the holders of Share Warrants to bearer representing such Shares) (hereinafter called "the Charter Fully Paid Shares")

to be convened for the purpose of considering and, if thought fit, approving (with or without modification) a Scheme of Arrangement proposed to be made between the Company and its said classes of Shares and Stock and that such Meetings will be held at Winchester House, 100 Old Broad Street, London EC2N 1BU on Wednesday the 14th day of November, 1979 at the respective times below mentioned, namely:—

- the meeting of the holders of the 5 per cent. Convertible Unsecured Loan Stock 1984 at 11.00 o'clock in the forenoon;
- the meeting of the holders of the Charter Partly Paid Shares at 11.05 o'clock in the forenoon (or so soon thereafter as the preceding meeting shall have been concluded or adjourned); and
- the meeting of the holders of the Charter Fully Paid Shares at 11.10 o'clock in the forenoon (or so soon thereafter as the preceding meetings shall have been concluded or adjourned);

at which place and respective times all the aforesaid Shareholders and Loan Stockholders are requested to attend.

Any person entitled to attend the said Meetings can obtain copies of the said Scheme of Arrangement and of the Statement required to be furnished pursuant to Section 207 of the above-mentioned Act and in the case of holders of Warrants to Bearer representing Charter Fully Paid Shares, Forms of Proxy with a Form of Certificate endorsed thereon for completion by (a) an Authorised Depository as listed in Appendices I and II of the current issue of the Bank of England's Notice EC1 or (b) by one of the undermentioned Agents (showing the deposit of such Warrants in the manner hereinafter mentioned) from Charter Consolidated Services Limited, P.O. Box 102, Charter House, Park Street, Ashford, Kent TN23 2BR, Consolidated Share Registrars Limited, P.O. Box 61051, Marshalltown 2107, Johannesburg from the offices of the undermentioned Solicitors at the address mentioned below or from the undermentioned Agents at their respective offices hereinafter mentioned during usual business hours on any day prior to the day appointed for the said Meetings.

THE SAID SHAREHOLDERS, LOAN STOCKHOLDERS AND WARRANTHOLDERS MAY VOTE IN PERSON AT SUCH OF THE SAID MEETINGS AS THEY ARE

ENTITLED TO ATTEND OR THEY MAY APPOINT ANOTHER PERSON, WHETHER A MEMBER OF THE COMPANY OR NOT AS THEIR PROXY TO ATTEND AND VOTE IN THEIR STEAD.

In the case of registered joint holders of Shares or Stock the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority will be determined by the order in which the names stand in the Registers of Members and Loan Stockholders respectively.

Where Warrants to Bearer have been lodged or are deposited in the United Kingdom with an Authorised Depository a Certificate in the form endorsed on the said Form of Proxy (bearing the stamp or signature of such Authorised Depository) stating that the said Warrants have been deposited with such Depository and will be retained by it on behalf of the depositor until the close of the said Meetings or any adjournment thereof and stating the name and address of the holder of the said Share Warrants and the number of the Shares represented by the said Share Warrants so deposited must be produced at the relevant Meeting by the holder of such Share Warrants if attending in person or lodged with his completed Form of Proxy if he desires to vote by proxy.

Where holders of Share Warrants to Bearer are outside the United Kingdom such Warrants may be deposited with either of the following Agents namely Credit Lyonnais SA, 19 boulevard des Italiens, 75002 Paris and Banque Rothschild, 21 Rue La Fayette, 75009 Paris and a Certificate obtained on the lines indicated above endorsed on the said Proxy and signed by an official of one of such Agents must be produced at the relevant Meeting by the holder of such Warrants if attending in person, or lodged with his completed Form of Proxy if he desires to vote by proxy.

It is requested that forms appointing proxies be lodged:—

- In the case of Members registered on the South African or Zimbabwe Rhodesian branch Registers of the Company with Consolidated Share Registrars Limited, P.O. Box 61051, Marshalltown 2107, Republic of South Africa;
- In the case of Members registered on the United Kingdom Register and holders of Share Warrants to Bearer with the Company at P.O. Box 102, Charter House, Park Street, Ashford, Kent TN23 2BR, England;

not less than 48 hours before the time appointed for the said Meetings, but if forms are not so lodged they may be handed to the Chairman at the Meeting at which they are to be used.

By the said Order the Court has appointed Murray Bernard Hofmeyr or failing him, John Neil Clarke to act as Chairman of each of the said Meetings, and has directed the Chairman to report the results thereof to the Court.

The said Scheme of Arrangement will be subject to the subsequent approval of the Court.

DATED 23rd October, 1979.

LINKLATERS & PAINES (DHC),
 Barrington House,
 59/67 Gresham Street,
 London EC2V 7JA,
 Solicitors for the Company

MINERALS AND RESOURCES CORPORATION LIMITED
 (Incorporated in Bermuda)

NOTICE OF SPECIAL GENERAL MEETING

Further to the joint announcement published on 17th October, 1979 by your Corporation (Minorco), Charter Consolidated Limited (Charter), Anglo American Corporation of South Africa Limited (AAC), De Beers Consolidated Mines Limited (De Beers) and Zambia Copper Investments Limited (ZCI), members are advised that on the basis of the present fully paid share capital of Charter the proposals outlined therein, if implemented, will necessitate the issue by Minorco of 26,213,117 new ordinary shares which will rank *pari passu* with the ordinary shares presently in issue. The new shares will not qualify for the interim dividend of 4 cents a share which the Corporation proposes to declare in respect of the six-month period ending 31st December, 1979.

The present authorised capital of Minorco is BD\$105,000,000 comprising 74,951,428 ordinary shares of BD\$1.40 each and 8,572 deferred shares of BD\$1.40 each. Its present issued capital is BD\$103,023,324.60 in 73,579,517 fully-paid ordinary shares and 8,572 fully-paid deferred shares. Accordingly Minorco's present unissued ordinary share capital, which is under the control of the directors, consists of 1,411,811 ordinary shares. In order to provide for the shortfall of 24,801,206 ordinary shares and to hold further shares in reserve it is proposed to increase the authorised share capital of Minorco by BD\$49,000,000 by the creation of 35,000,000 new ordinary shares of BD\$1.40 each. This will leave 10,198,794 ordinary shares, equal to 9.3 per cent. of Minorco's then authorised ordinary capital, in reserve and at the disposal of the directors.

A Special General Meeting of members of Minorco is being convened to consider resolutions to approve the acquisition of investments in terms of the proposals, to increase Minorco share capital, to place the unissued shares under the control of the directors, to increase the fees payable to the directors and to make certain other changes to the Bye-laws of the Corporation. Except as indicated herein no issue of shares is contemplated at the present time and no issue of shares will be made which could effectively transfer the control of Minorco without prior approval of shareholders in general meeting.

Notice is accordingly hereby given that a Special General Meeting of the members of Minerals and Resources Corporation Limited will be held at Belvedere Building, Pitts Bay Road, Pembroke, Bermuda on 14th November, 1979 at 11.30 a.m. for the purpose of considering and, if deemed fit, passing (with or without modification) in the manner required by the laws of Bermuda, the following resolutions of which the first and third are to be passed as ordinary resolutions and the second and fourth as extraordinary resolutions, namely:—

As an ordinary resolution

1. "THAT this Meeting of this Corporation hereby approves an acquisition of interests (whether direct or indirect) in Anglo American Corporation of Canada Limited and Anglo American Investment Trust Limited on the terms and conditions outlined in the circular to members dated 22nd October, 1979 and accordingly the directors be and they are hereby authorised to do all such acts and things as may be necessary or desirable to effect such acquisitions."

As an extraordinary resolution

2. "(i) The conditions precedent to the registration of this resolution are that:—
 (a) the Scheme of Arrangement (the Scheme) dated 22nd October, 1979 between Charter Consolidated Limited (Charter) and the holders of (inter alia) Charter Fully Paid Shares (as defined in the Scheme) which makes provision, *inter alia*, for the transfer or as the case may be renunciation by Charter of certain securities to this Corporation and the issue of this Corporation's shares direct to holders of Charter Fully Paid Shares, is sanctioned by the High Court of Justice in England; and
 (b) a certificate signed by a director of this Corporation certifying that the provisions of paragraph (a) have been fulfilled is attached to the copy of this resolution lodged for registration;

(ii) **RESOLVED THAT**
 (a) subject to compliance with the conditions precedent in paragraph (i), the authorised capital of this Corporation be and is hereby increased from BD \$105,000,000 to BD\$154,000,000 by the creation of 35,000,000 new ordinary shares of BD \$1.40 each, which shares shall, on issue, rank *pari passu* with the existing ordinary shares of this Corporation; and
 (b) forthwith upon the authorised capital of this Corporation being so increased the directors be and they are hereby authorised to allot and issue ordinary shares of this Corporation in accordance with the provisions of the Scheme."

As an ordinary resolution

3. "THAT subject to the passing and registration of the extraordinary resolution increasing the capital of this Corporation from BD\$105,000,000 to BD \$154,000,000 by the creation of 35,000,000 new ordinary shares of BD \$1.40 each, the directors be and they are hereby authorised:—

(i) to allot and issue all or any portion of the unissued ordinary shares in the capital of this Corporation at such time or times to such person or persons and upon such terms and conditions as they may determine;

(ii) to make arrangements on such terms and conditions as they may deem fit for the subscription by underwriters of:—
 (a) any shares offered to shareholders in this Corporation by way of rights issues but not taken up by the persons entitled thereto; and
 (b) any shares resulting from the consolidation of any fractional entitlements in respect of any shares issued in pursuance of a rights issue, provided that any rights to such shares which can be sold in nil-paid form on the Johannesburg and/or London stock exchanges during the period in which they are quoted on such stock exchanges may be sold by the underwriters, and the net proceeds of any sale of such rights shall be paid to this Corporation."

As an extraordinary resolution

4. "THAT this Corporation's Bye-laws be and they are hereby altered by deleting Bye-laws 61, 79, 80, 86, 90, 92 and 94 and substituting therefor the following respective Bye-laws:—

- The Chairman, failing whom the President, failing whom the Vice-President, shall preside as Chairman at every General Meeting, or if at any meeting none of the Chairman or President or Vice-President be present within fifteen minutes after the time appointed for holding such meeting, the members personally present shall choose another Director as Chairman, and if no Director be present, or if all the Directors present decline to take the chair, then the members personally present shall choose one of their number to be Chairman.
- Unless otherwise determined by the Company in General Meeting the Directors shall not be less than four nor more than twenty in number.
- The ordinary remuneration of the Directors shall be at the rate of BD\$5,000 per annum each. Such remuneration shall accrue from day to day and shall be payable by equal quarterly instalments in arrears. The Company in General Meeting may vote extra remuneration to the Directors or any of them.
- The office of a Director shall, *ipso facto*, be vacated:—
 (A) if he becomes bankrupt or compounds with his creditors, or takes the benefit of any Act for the time being in force for the relief of insolvent debtors;
 (B) if he is found lunatic or becomes of unsound mind;
 (C) if he absents himself from attendance at the usual meetings of Directors continuously for the space of six months without the leave of the Board;
 (D) if by notice in writing under Bye-law 91 hereof he resigns his office;
 (E) if he shall cease to hold the necessary qualifications in accordance with Bye-law 82
 Provided that these disqualifying conditions, or any of them (other than that contained in sub-clause (E) above), may be dispensed with in any special case by a resolution of a General Meeting.
- The Directors shall have power at any time, and from time to time, to appoint any person as a Director to fill a casual vacancy, but so that the total number of Directors shall not at any time exceed the maximum number for the time being authorised, and any Directors so appointed shall hold office only until the next following Annual General Meeting of the Company, and shall then be eligible for re-election.
- The Company may by Extraordinary Resolution and in accordance with the provisions of Section 5(6) of the Act remove any Director before the expiration of his period of office, and may by Resolution appoint another Member in his stead, but any person so appointed shall retain his office so long only as the Director in whose place he is appointed would have held the same if he had not been removed.
- The Directors may elect some one of their number to be Chairman, who will preside at meetings of the Directors. In the absence of the Chairman, the President, or failing him, the Vice-President, or failing him, one of the remaining Directors, shall preside at such meetings."

Copies of the following documents are available for inspection during normal business hours on any week day, except Saturdays and Public Holidays, up to and including the date of this meeting at the registered office of the Corporation and at 40 Holborn Viaduct, London EC1P 1AJ, England and 62 Marshall Street, Johannesburg 2001, South Africa:—

- the documents setting out the present arrangements between ZCI and the Corporation;
- the Incorporating Act and Bye-laws of the Corporation;
- the annual report and accounts of the Corporation for the two financial years ended 30th June, 1978 and 1979;
- the annual report and accounts for the last two financial years of Anglo American Corporation of Canada Limited, Anglo American Investment Trust Limited, Francana Oil & Gas Limited, Hudson Bay Mining and Smelting Co., Limited, Tombill Mines Limited and Whitehorse Copper Mines Limited;
- letters and consents dated 22nd October, 1979 from Messrs Deloitte Haskins & Sells and Lazard Brothers & Co., Limited;
- an agreement dated 16th October, 1979 between the Corporation, ZCI, ZCI Holdings Limited, AAC and De Beers providing *inter alia* for the disposal of ZCI's interest in Botswana RST Limited (BRST) and BCL Limited with the exception of its ordinary shares in BRST; and
 (g) circular addressed to the shareholders of the Corporation dated 11th April, 1978.

An announcement regarding the outcome of the Special General Meeting will be published in the Press on 16th November, 1979.

A member entitled to attend and vote at the meeting is entitled to appoint another member as his proxy to attend and, on a poll, to vote in his stead.

In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.

Forms of proxy which will be included with the circular and notice of meeting to be despatched to shareholders must be returned to the Corporation's registered office or to the office of the local share registrars in the United Kingdom or the Republic of South Africa so as to arrive at least 48 hours before the time appointed for the holding of the meeting.

Holders of share warrants to bearer who wish to attend in person or by proxy or to vote at any general meeting of the Corporation must comply with the regulations of the Corporation under which share warrants to bearer are issued.

By order of the board,
 D. F. ELLIS,
 Secretary.

Belvedere Building,
 Pitts Bay Road,
 Pembroke,
 Bermuda.

22nd October, 1979.

CHARTER CONSOLIDATED LIMITED

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING of the above-named Company ("the Company") will be held at Winchester House, 100 Old Broad Street, London EC2N 1BU on 14th November, 1979 at 11.15 a.m. (or so soon thereafter as the meeting of the holders of the Charter Fully Paid Shares as defined in the Scheme of Arrangement referred to below convened for the same day and place shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolutions the first and second of which will be proposed as SPECIAL RESOLUTIONS and the third as an ORDINARY RESOLUTION:—

SPECIAL RESOLUTIONS

1. THAT for the purpose of giving effect to the provisions of Parts I and II of a Scheme of Arrangement ("the Scheme") between the Company and the holders of:—

- Charter Fully Paid Shares;
- Charter Partly Paid Shares;
- Charter Loan Stock

(as such terms are respectively defined in the Scheme) a print of which Scheme has been produced to the Meeting and, for the purposes of identification, signed by the Chairman:—

- The share capital of the Company shall be reorganised by the following successive stages:—
 1.1.1 The capital of the Company shall be reduced by:—
 (A) cancelling 23p of the capital paid up on each Charter Fully Paid Share;
 (B) cancelling 23p of the uncalled capital on each Charter Partly paid Share
 and reducing the nominal amount of each such Share to 2p accordingly and the sums thereby arising in the books of account of the Company shall be carried to a separate reserve called the Reduction Reserve.

1.1.2. Forthwith and contingently upon the reduction of capital referred to in Clause 1.1.1 taking effect every two of the unissued Shares of 25p shall be consolidated into one Share of 50p and each such 50p Share shall be subdivided into 25 Shares of 2p each and the capital of the Company shall be increased to £45,500,000 by the creation of additional Shares of 2p each.

1.2 Forthwith and contingently upon the provisions of Clause 1.1 taking effect:—

1.2.1. The Company shall appropriate out of the sums for the time being standing to the credit of Share Premium Account in the book of account of the Company the sum of £10,000 to a separate reserve (which shall remain part of the Share Premium Account) called the Incentive Reserve.

1.2.2 The Company shall apply whichever is the lesser of:—
 (A) the aggregate of the Reduction Reserve and the amount standing to the credit of Share Premium Account in the books of account of the Company (but excluding the Incentive Reserve);

(B) such part of such aggregate amount as is equal to the value of the "A" Assets of the Company (as hereinafter defined) calculated on the basis specified in Clause 2.2.2 of the Scheme in paying up in full at par Shares of 2p designated as "A" Shares and having attached thereto the rights and privileges and being subject to the limitations and restrictions set out in paragraph 1.3 of this Resolution.

1.2.3 The Company shall issue the "A" Shares in accordance with the provisions of Clause 2.3 of the Scheme.

1.3 The "A" Shares shall have attached thereto the rights and privileges and be subject to the limitations and restrictions as follows:—

1.3.1. The issued share and loan capital of Newco Holding Ltd. but no other assets of the Company shall be deemed to be attributable to the "A" Shares and to be represented by the capital paid up or credited as paid up thereon to the exclusion of any other class of Shares in the capital of the Company and references hereinafter to the "A" Assets are to such share and loan capital of Newco Holding Ltd. or to the net assets of the Company for the time being representing the same.

1.3.2. At the end of each financial period ending after the Effective Date (as defined in the Scheme) for which accounts of the Company are to be made up and audited the Auditors shall determine profit or loss of the Company for such period attributable to the "A" Assets and such profit (to the extent not previously distributed by way of dividend on the "A" Shares) or loss shall be credited to or debited against reserves to be known as the "A" Reserves which shall be deemed to be attributable to the "A" Shares only to the exclusion of any other class of shares in the capital of the Company. The Auditors shall likewise determine any net surplus over or deficit under book value resulting from the sale or other disposal of or dealing with any capital asset comprised in the "A" Assets or in writing up or down the book value of any such capital asset, and any taxation arising in consequence of the disposal or deemed disposal of any such capital asset shall be such surplus or deficit or the amount of any such taxation shall be such surplus or deficit or (as the case may be) debited against the "A" Reserves. Any determination of the Auditors for the purposes of this paragraph 1.3.2 shall be conclusive and binding on the right to receive a dividend.

1.3.3 The "A" Shares shall confer the right to receive a dividend and only out of the profits of the Company available for distribution and attributable to the "A" Assets and any such profits resolved to be distributed shall be charged against the "A" Reserves or against profits otherwise falling to be transferred thereto.

1.3.4 On a return of assets on a winding up or otherwise the holders of the "A" Shares shall be entitled to receive by way of distribution the "A" Assets and accordingly all such assets shall belong to and be distributed amongst the holders of the "A" Shares (to the exclusion of the holders of any other class of shares in the capital of the Company) ratably according to the numbers of such shares held by them respectively.

1.3.5 Both the Directors and any liquidator shall ensure so far as possible that all liabilities other than those attributable to the "A" Assets are discharged out of the remaining assets of the Company and for this purpose, in the event of any doubt or question the Auditors, acting as experts, shall determine whether a given liability is attributable to the "A" Assets.

1.3.6 The provisions of Article 129 of the Articles of Association of the Company shall not apply in respect of the "A" Assets or any part of them.

2. THAT for the purpose of giving effect to Part III of the Scheme of Arrangement referred to in Resolution 1 set out in this Notice ("the Scheme"):—

2.1 The capital of the Company be reduced by the cancellation of the "A" Shares;

2.2 Upon the reduction of capital referred to in paragraph 2.1 above taking effect the "A" Assets (as defined in paragraph 1.3.1 of the said Resolution 1) shall, in accordance with the rights attached to the "A" Shares on a return of assets, be transferred to or, as the case may be, renounced in favour of Minerals and Resources Corporation Limited or as it shall direct;

2.3 The Company shall capitalise the whole or a sufficient part of the sum standing to the credit of the Incentive Reserve referred to in paragraph 1.2.1 of the Resolution 1 set out in this Notice to fulfil its obligations under Clause 5 of the Scheme and shall apply the same in paying up at par unissued Shares in its capital which shall allot and issue in accordance with the provisions of the said Clause 5 and the Shares so issued shall be "Capitalisation Shares" for the purposes of the Share Incentive Scheme of the Company adopted by Special Resolution duly passed on 14th July, 1977 the provisions of which Share Incentive Scheme shall remain in full force and effect and in particular (but without prejudice to the generality of the foregoing) the "Subscription Price" payable by holders of partly paid shares thereunder shall remain unaltered notwithstanding the reduction in the nominal amount of such Shares under the Scheme.

ORDINARY RESOLUTION

3. THAT the Agreement dated 16th October, 1979 between the Company, Anglo American Corporation of South Africa Limited and De Beers Consolidated Mines Limited, particulars of which were contained in a circular to members and loan stockholders incorporating a Scheme of Arrangement and Explanatory Statement dated 22nd October, 1979, be and it is hereby approved.

By Order of the Board,
 D. S. BOOTH,
 Secretary.

DATED this 22nd day of October, 1979.

Notes

- A member of the Company who is entitled to attend and vote at the Extraordinary General Meeting convened by these notices may appoint a proxy or proxies to attend and on a poll to vote instead of him. A proxy need not be a member of the Company.
 - To be valid a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must reach the Company at P.O. Box 102, Charter House, Park Street, Ashford, Kent TN23 2BR, not less than 48 hours before the time fixed for holding the Extraordinary General Meeting.
 - All holders of shares of the Company (except holders of the Charter Partly Paid Shares as defined in the Scheme) are entitled to vote on the Resolutions.
 - Every shareholder present in person and entitled to vote shall, upon a show of hands, have one vote and upon a poll every shareholder present in person or by proxy and entitled to vote shall have one vote in respect of every 25p in nominal amount of share capital held by him.
 - In order to attend or vote at the above meeting, holders of Share Warrants to Bearer must deposit, not less than three clear normal business days before the time fixed for holding the meeting, at the office of the Company at P.O. Box 102, Charter House, Park Street, Ashford, Kent TN23 2BR, or at the offices of its paying agents, Credit Lyonnais, S.A., 19 boulevard des Italiens, 75002 Paris, and Banque Rothschild, 21 rue La Fayette, 75009 Paris, their Share Warrants or, if their Share Warrants are required to be kept in the custody of an Authorised Depository, a Certificate of Deposit in relation to their Share Warrants from an Authorised Depository as listed in Appendices I and II of the current issue of Bank of England Notice EC1 to the effect that the Share Warrant(s) is/are deposited with such Authorised Depository and containing an undertaking by such Authorised Depository that he will not surrender the possession of such Share Warrant(s) except against the return to him of such Certificate of Deposit. The Certificate of Deposit must specify the number of the Share Warrants so deposited, the name and address of the person so depositing the same and the number of Shares represented by such Share Warrant(s) and must bear the stamp or signature of the Authorised Depository. The Company or its agents as aforesaid shall deliver to the person so depositing a Share Warrant, or Certificate of Deposit, a voting certificate stating his name and address and the number of shares represented by the relevant Share Warrant(s), and such certificate shall entitle him to attend, and vote in person or by proxy, at the Extraordinary General Meeting in respect of the Shares specified therein. Forms of proxy for use by holders of Share Warrants to Bearer may be obtained from the aforesaid offices of the Company, Credit Lyonnais, S.A., and Banque Rothschild during usual business hours on any day (other than a Saturday, Sunday or Public Holiday) prior to the day appointed for the meeting. In order to vote by proxy, a form of Proxy duly completed, together with the aforesaid Certificate, must be lodged with the Company as specified in Note 2 above.
- Copies of the conditions governing the Share Warrants to Bearer are available from the offices mentioned above.

Companies and Markets

Wall St. sheds 10 in active early trading

INVESTMENT DOLLAR PREMIUM \$2.60 to \$2.25 (30%) Effective \$2.25 (8%) PRICES FELL sharply in active trading as investors waited for expected further increases in the discount rate and bank prime rates.

Texas reported a gas find in the Baltimore Canyon belt east of \$29. Walter E. Heller was off to \$29.1 before a trading halt for news that it broke off merger talks with Midland Bank of London. Midland had proposed to pay \$42.50 a share for Heller's common shares.

retreated. Losses dominated gains by over 20 to one. Real Estate and Construction issues were broadly lower as New West Development "A" fell 1 1/2 to 10 1/2. Cadillac Fairview 1 1/2 to 36 1/2 and Bramalea to 17 1/2. Doon Development, the most active issue on 64,120 shares, dropped three to nine.

In Industrials GIB lost ground after opening DM 4 down at DM 198.50 to close at DM 198.50. AEG gained DM 0.30 against the trend after Finance Minister Matthaefer spoke favourably of expected capital restructuring plans.

Kimberley region of Western Australia, saw both Ashton and CRA post gains. CRA rose 10 cents to AS3.65 and Ashton 17 to AS1.42. Among takeover interest stocks, BSE South was steady at AS3.75. Bundaberg Sugar was steady at AS7.50 after rejecting the Castlemeade Perkins bid.

Opposition by Treasury Secretary Miller to legislation to speed up depreciation allowances for business was also a disappointment. The Dow Jones Industrial Average fell 10 points and declines led advances 15 to one on a volume of 24m shares.

Canada The market was sharply and broadly lower in moderately active trading as investors, worried over rumours of another round of U.S. interest rate hikes, continued to take profits.

Germany Most major share prices continued to decline after opening lower, and heavy losses were sustained. Compared with Friday's close Deutsche and Commerbank were down DM 3.50, in Chemicals 24.15 shed DM 1.50 and VW led autos DM 3.80 lower.

Paris Share prices were marked down across the board in relatively heavy volume. At the closing bid the market indicator was off 1.76 per cent. Market observers said investors had been put off by a hike in the call money rate to 11 1/2 per cent yesterday from 11 per cent.

Hong Kong Stock prices closed lower in moderate active trading and the Hang Seng Index dropped 7.35 points to 882.25. The market rose marginally through the morning session because of the lack of new influences on trading.

London Midland had proposed to pay \$42.50 a share for Heller's common shares. Perte Computer jumped two to 25. It agreed to be acquired by Triumph Adler of West Germany for \$15.50 a share. The bid topped a \$15 a share bid by North American Phillips for 45 per cent of Perte's common.

Volume leader Resorts International "A" fell 1 1/2 to \$24.40. Petroleum Canada fell 1 1/2 to \$23. Gulf Canada 3 to \$23. Imperial Oil "A" 1 1/2 to \$31 and Bow Valley Industries 2 to \$31.

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Gold shares closed firm reflecting higher bullion prices in quiet trading. Durban DP and Buffels rose 100 cents to 1,600 and 2,425 cents respectively and Sallies 5 to 320. UN Corp firmed 30 to 1,160. Angles 10 to 1,030 and De Beers 5 to 305.

Investors were dismayed by the possibility of further oil price increases. Iran called for an emergency OPEC price meeting and said it plans crude export cuts.

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Indices

Table with columns for Index Name, Date, High, Low, and Change. Includes NYSE, Dow Jones, and various regional indices.

Table with columns for Index Name, Date, High, Low, and Change. Includes Standard and Poors, and various regional indices.

Table with columns for Index Name, Date, High, Low, and Change. Includes Montreal, Toronto Composite, and various regional indices.

Table with columns for Index Name, Date, High, Low, and Change. Includes Australia, Belgium, Denmark, France, Germany, Hong Kong, Italy, Japan, and Singapore.

Table with columns for Index Name, Date, High, Low, and Change. Includes various regional indices and stock market data.

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Gundelach seeks sugar quota cuts

BRUSSELS—EEC Farm Commissioner Finn Gundelach wants to cut the Common Market's annual sugar production quotas by up to 1m tonnes as part of his proposals for a new five-year EEC sugar regime...

This will be the major item in Mr. Gundelach's proposals which will be discussed for the first time by the 13-man Commission within the next two weeks, they said.

The sources said a 1m tonne figure for the reduction in the existing quotas is a maximum and it could be changed to a cut of between 700,000 and 800,000 tonnes if its meets opposition in the Commission.

Proposals for arrangements to replace the EEC's existing five-year-old sugar regime may be discussed by the EEC's agriculture ministers next month, and any change in the quota system is certain to meet stiff opposition from major sugar producing countries such as France.

The latest estimate from sugar analyst FO Licht puts the EEC's 1979-80 sugar production at 11.82m tonnes after 12.39m last year. EEC government experts have forecast that sugar exports to world markets this season, for which the Community pays export subsidies, could be slightly higher than last time, at 2.61m tonnes.

The sources said Mr. Gundelach does not like the current EEC system of national and factory production quotas which guarantee producers a basic price for their product. He sees this as the root cause of over-production.

However, it is said he realises that any more drastic changes, such as refusing to guarantee price levels, would not be accepted by the Ministers even though they would have a more drastic effect on reducing surpluses.

At present, the EEC's "A" sugar quota gets the full price guarantee. "B" quota sugar, which is 27.5 per cent of quota "A", gets 70 per cent of the guaranteed price and any residual "C" quota sugar has to be exported at producers' expense.

For 1979-80 unsupported "C" quota production is expected to fall sharply to 175,000 tonnes from 806,000 last season due to lower yields and world price declines and uncertainty when the crop was sown over details of the new sugar regime.

Slump in lamb market costs Exchequer £1.4m

BY CHRISTOPHER PARKES

THE EXCHEQUER will have to pay out an estimated £1.4m in subsidies to sheep farmers to compensate them for the current slump in prices, and since there is little sign of improvement, the final bill is expected to be much higher.

The subsidies, or deficiency payments, were first paid last month when market prices for lamb failed to reach the level at which the Government is committed to help under its price guarantee scheme.

When they were introduced, the payments were worth only a few pence per kilo, but the Meat and Livestock Commission estimates, the subsidies rose to 21.3p a kilo, or about £3.78 on every lamb sold.

A 3.5 per cent drop in the number of sheep marketed in England and Wales last week had little apparent effect on the recent price slide.

Although the Ministry of Agriculture refuses to disclose the cost of subsidisation, unofficial estimates put the bill up to the end of last week at about £1.4m.

Ominously, lamb prices in France have also continued to decline. Last night's official figures from the MLC showed that last week the average French market price was down a further 3p at 200.6p a kilo.

This heightens the dilemma confronting M. Pierre Mehaigrerie, the French Minister of Agriculture, who is under pressure to obey a European Court ruling and allow British lamb freely into France by next week.

With the markets in both countries as they are, raising the import ban would undoubtedly cause even more falls in French lamb prices.

Substantial subsidies would be needed to prevent the collapse of the domestic market in France. But even if such payments were made there could be no guarantee they would prevent violent protests in the farming community, possibly including physical action against British shipments.

In London yesterday, Mr. Richard Butler, president of the National Farmers' Union, presented the French Ambassador, Mr. Jean Sauvagnargues, with a letter to President Giscard d'Estaing, demanding an immediate end to France's

"illegal obstruction" of trade in lamb.

Mr. Butler also sought promises that no further bans or levies would be put in the way of British supplies.

"The French Government has behaved disgracefully. It has obstructed European Community law and treated the principle of fair trade within the Community with high-handed derision," Mr. Butler said.

Mr. Sauvagnargues was reported to have told Mr. Butler that his Government was concerned about French sheep farmers and felt that Britain was not observing some of the principles of the EEC, notably in fishing policy and in budgetary contributions.

Norfolk's European MP, Mr. Paul Howell, yesterday threatened to break the French ban on imports of English lamb by driving a lorry load of the meat into France himself.

Mr. Howell told Norfolk farmers: "If the situation does not improve in three weeks I shall drive a lorry load of lamb into France myself using a European passport which I have been given."

Mr. Howell has warned M. Mehaigrerie of his plan to beat the blockade.

Copper loses early gain

By Our Commodities Staff

COPPER PRICES made significant gains in early dealings based on the strong rise in New York on Friday night. But lack of follow-through buying halted the rise, which lifted the cash wirebars quotation by 14 a tonne at one stage.

Prices began to fall back from their early peak of \$1.40 a tonne, down \$4 from Friday's closing level.

A sharply lower opening in New York pushed prices down further in the afternoon and by the end of the day cash wirebars were quoted at \$115.5 a tonne, down \$4 from Friday's closing level.

Stocks held in London Metal Exchange warehouses at the end of last week totalled 148,250 tonnes, down 1,060 tonnes from a week earlier.

Tin prices opened lower and lost further ground encouraged by freer offerings from an influential quarter. Cash metal closed \$110 down at \$740 a tonne.

But the three months position was well maintained by steadiness in the Penang market where the price rose six ringgit to 2,011 ringgit per picul.

LME warehouse stocks of tin rose 45 tonnes to 1,890 tonnes last week.

Lead and zinc prices moved in narrow ranges with cash lead ending \$7 up at \$631 a tonne and cash zinc \$3.5 up at \$332 a tonne.

LME lead stocks rose 225 tonnes to 21,325 tonnes last week while zinc stocks declined 225 tonnes to 47,100 tonnes.

SOUTH AFRICA

Farm incomes boost will raise food costs

BY BERNARD SIMON IN JOHANNESBURG

THE SOUTH African Government's speedy acceptance last month of an official report on agricultural finances has emphasised the urgent need to improve the lot of the country's 75,000 farmers. But it also heralds higher food prices.

Within weeks of the report being signed by a committee chaired by Dr. Japie Jacobs, general manager of the Reserve Bank, the Minister of Agriculture has announced plans to switch official farm prices to give "a higher degree of priority to income targets and realistic adjustments to the profit margin of the farmer."

Cheap finance

The ceiling on production credit for needy farmers is to be doubled, and the state-owned Land Bank is to raise its capacity to provide farmers with cheap medium and long-term finance.

These measures come on the heels of generous drought relief assistance earlier this year, and the introduction of a state-subsidised comprehensive crop insurance scheme.

The Jacobs Committee conceded that farmers' financial position in general is not yet critical. But there was cause for concern in some regions and production sectors.

A repetition of drought conditions next season will have serious consequences for agriculture, the committee said.

Although farming conditions have been favourable for five of the past six seasons, farmers' debt has doubled. The worst-affected are cattle ranchers, whose average annual income has fallen by over R2,000 since 1973. Their capital investment per hectare has dropped by 15 per cent.

Similarly, the average net income of sheep farmers was 7 per cent lower last season than in 1973-74.

Not surprisingly, commercial banks have become increasingly wary of doing business with farmers, especially in granting medium- and long-term credit.

One unfortunate result is that farmers have been contributing

to their cash-flow problems by using short-term funds for the purchase of capital equipment.

The Jacobs Report points to the ripple effects of farmers' worsening financial situation. Poor returns have led to lower standards of farming while discouraging newcomers.

According to the report, 98 per cent of South Africa's farmers are over 55 years old.

Although the average size of farms has increased steadily over the past 20 years, there are signs that farmers' financial plight has forced them into over-grazing their fields. In the Karoo, for instance, the number of livestock per 100 hectares has jumped almost 70 per cent in the past five years, in the southern Orange Free State by a third and in the eastern Cape by 11 per cent.

The main cause of farmers' troubles has been the unrealistic pricing of their produce. Because of the Government's eagerness to hold down the price of living food prices have risen more slowly in recent years than farming costs. While the producer price index moved up by an average of 12.8 per cent a year between 1973 and 1978, the cost of farm requisites shot up at an annual rate of 14 per cent.

Back seat

Maintenance of price stability has up to now been the chief function of the marketing boards which control the sales of most of South Africa's farm production. Factors taken into account during annual price reviews are, among others, the relation between demand and supply and between local and international prices, changes in production costs and the strategic importance of the product.

The net return to the farmer has taken a back seat. Thus, the former's remuneration is not included in the estimates, and profit margins have not been raised, despite a steady decline in returns on capital in most sectors.

The Jacobs Report proposes a complete overhaul of price policies: "Food prices must be

allowed to rise in sympathy with the unavoidable cost increases experienced in the past years of high inflation." It adds that "food prices should not be kept artificially low, whether by consumer subsidies or inadequate compensation of the producer."

The committee suggests, however, that one way to avoid wildly gyrating prices, especially of products with large export markets, would be to make greater use of stabilisation funds.

These have already been created for maize and sugar. But the sugar fund was abused by the Government's insistence that the export profits of a few years be used to hold local prices unrealistically low. Such cross-subsidisation ought to be avoided in future, the Jacobs committee recommends.

New policy

It proposes a completely new policy for those products, such as meat and dairy products, which are sold mainly on the home market. In these cases, the authorities should set a self-sufficiency target. "The higher the target, the greater would be the producer's incentive margin and the closer the consumer price would be set to the maximum which buyers would be able and willing to pay."

South Africans have already begun to feel the effect of the more market-oriented thinking behind the Jacobs report. The producer price of wheat, which was static in 1977 and rose by 12 per cent last year, was recently shoved up by a massive 56 per cent although to protect lower income groups some of South Africa's gold earnings were used to increase the bread subsidy.

The producer price for maize leapt from R51 to R121 in the second two major reasons for the big rise were a bigger allowance for the farmer's remuneration and a higher cost escalation factor for the replacement of farm equipment.

South Africa's reputation as a cheap food producer may last much longer.

Producer buying lifts coffee

BY RICHARD MOONEY

COFFEE PRICES moved sharply higher on the London futures market yesterday, wiping out much of last week's £100 decline.

Nearly values gained nearly £80 at the opening reflecting the dramatic rise in New York on Friday night. But prices eased during the morning when the producer-backed buying which had encouraged the New York upsurge failed to appear.

Producer buying did emerge in the afternoon, however, and by the close, January delivery coffee was quoted £65.5 higher at £1,802 a tonne.

Dealers noted that selling believed to be on behalf of the Bogota Group of Latin and Central American producers was largely responsible for the sharp decline on coffee futures

prices during the past two weeks.

In Rio de Janeiro, meanwhile, the Brazilian Industry and Commerce Minister, Sr. Camilo Penna, said he ruled out any move to reduce the contribution quota (export tax) on coffee. Producers have complained that a recent rise in the tax has cut their coffee returns to an unacceptably low level.

The Government has argued, however, that any cut in the tax would reduce the country's export earnings and would in the long-term harm the producer.

Sr. Penna said he expects Brazil to export about 12m bags (60 kilos each) of coffee this year, earning about \$2.2bn.

Next year exports could be a little higher, he said.

Brazilian Coffee Institute statistics show the country shipped 8.9m bags of coffee in the first nine months of this year compared with 7.9m in the same period last year.

The market continued to ease reintroduce the "special deals" system to encourage coffee exports. Sr. Octavio Rainho, the IBC president, said at the weekend.

No change in the country's coffee export policy was being studied, he told a Rio Press briefing.

In the past, much of Brazil's coffee was sold directly to major manufacturers at discount prices linked to world market levels. Since the new administration took over earlier this year, however, no such deals have been negotiated.

Australian wool crop estimate raised

CANBERRA — The Bureau of Agricultural Economics has raised its estimate of 1979-80 raw wool exports to 679m kilos in the July to June season from its first forecast of 659m and against last season's estimated 730m.

In its second 1979-80 quarterly, dated September, the BAE forecast greasy wool exports at 525m kilos against its initial estimate of 515m and last season's estimated 568m kilos.

Mr. Gideon Joubert, chairman of the South African Wool Board and vice-chairman of the International Wool Secretariat, died yesterday. He had been chairman of the Board since 1968.

BRITISH COMMODITY MARKETS

BASE METALS

Copper—Futures on the London Metal Exchange although forward metal began firmly, rising from £335 to £340. But there was little follow-through and it faded between £335 and £330. Last week's performance on COMEX induced further interest. But there was some upside at the end of the day as the price for the day of £310 was touched before a close on the Kerf of £312. Turnover: 16,275 tonnes.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Wirebars, Cash, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

Amplified Metal Trading reported that in the morning, most wirebars traded at £325; three months £335, 34, 36, 37, 38, 39, 39.5. Cathodes: Cash £321, 20; three months £324, 22; 6 months £327, 24; 9 months £328, 25; 12 months £329, 26. Wirebars: Three months £321, 22; 6 months £322, 23; 9 months £323, 24; 12 months £324, 25.

I.C. Index Limited 01-351 3466. March Coffee 1773-1785. 29 Lamont Road, London SW10 0HS. 1. Tax-free trading on commodity futures. 2. The commodity futures market for the small investor.

CORAL INDEX: Close 462-467

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Tin, High Grade, Standard, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

Amplified Metal Trading reported that in the morning, most tin traded at £225; three months £235, 34, 36, 37, 38, 39, 39.5. Cathodes: Cash £221, 20; three months £224, 22; 6 months £227, 24; 9 months £228, 25; 12 months £229, 26. Wirebars: Three months £221, 22; 6 months £222, 23; 9 months £223, 24; 12 months £224, 25.

Insurance Base Rates: Property Growth 134%, Vaunbrugh Guaranteed 121%, Address shown under Insurance and Property Bond Table.

INSURANCE BASE RATES

Property Growth 134%, Vaunbrugh Guaranteed 121%, Address shown under Insurance and Property Bond Table.

COMPANY NOTICES

MINERALS AND RESOURCES INCORPORATED IN BERMOUDA. NOTICE TO MEMBERS. NOTICE IS HEREBY GIVEN that the 10th annual general meeting of the members of Minerals and Resources Incorporated is to be held at the Pits Bay Road, Bermuda, on Wednesday, 23rd October, 1979, at 11.00 a.m.

ZAMBIA COPPER INVESTMENTS

NOTICE TO MEMBERS. NOTICE IS HEREBY GIVEN that the 10th annual general meeting of the members of Zambia Copper Investments Incorporated is to be held at the Pits Bay Road, Bermuda, on Wednesday, 23rd October, 1979, at 11.00 a.m.

PUBLIC NOTICES

CITY OF CARDIFF. £1,000,000 bills issued 23.10.79 at 13.50% to mature 23.10.82. The total outstanding £1m.

GLVING COUNTY COUNCIL

£1,000,000 bills issued 23.10.79 at 13.50% to mature 23.10.82. The total outstanding £1m.

LEAD

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Cash, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Tin, High Grade, Standard, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Copper, Wirebars, Cash, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Zinc, Cash, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Nickel, Spot, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Silver, Spot, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Wheat, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Barley, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Soyabean Meal, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Soyabean Oil, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Soyabean Flour, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Soyabean Hulls, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Soyabean Middlings, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Soyabean Shorts, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

COFFEE

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Cash, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Tin, High Grade, Standard, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Copper, Wirebars, Cash, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

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Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Nickel, Spot, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

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Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Soyabean Flour, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

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SOYABEAN MEAL

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Cash, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Tin, High Grade, Standard, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Copper, Wirebars, Cash, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Zinc, Cash, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Nickel, Spot, 3 months, 6 months, 9 months, 12 months, U.S. Prod.

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Table with columns: a.m., Official, p.m., Unofficial, £, p.m., Unofficial. Rows for Soyabean Shorts, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

PRICE CHANGES

Table with columns: Oct 22 1979, + or -, Month ago. Rows for Tin, Copper, Zinc, Nickel, Soyabean Meal, Soyabean Oil, Soyabean Flour, Soyabean Hulls, Soyabean Middlings, Soyabean Shorts.

Table with columns: Oct 22 1979, + or -, Month ago. Rows for Tin, Copper, Zinc, Nickel, Soyabean Meal, Soyabean Oil, Soyabean Flour, Soyabean Hulls, Soyabean Middlings, Soyabean Shorts.

Table with columns: Oct 22 1979, + or -, Month ago. Rows for Tin, Copper, Zinc, Nickel, Soyabean Meal, Soyabean Oil, Soyabean Flour, Soyabean Hulls, Soyabean Middlings, Soyabean Shorts.

Table with columns: Oct 22 1979, + or -, Month ago. Rows for Tin, Copper, Zinc, Nickel, Soyabean Meal, Soyabean Oil, Soyabean Flour, Soyabean Hulls, Soyabean Middlings, Soyabean Shorts.

Table with columns: Oct 22 1979, + or -, Month ago. Rows for Tin, Copper, Zinc, Nickel, Soyabean Meal, Soyabean Oil, Soyabean Flour, Soyabean Hulls, Soyabean Middlings, Soyabean Shorts.

Table with columns: Oct 22 1979, + or -, Month ago. Rows for Tin, Copper, Zinc, Nickel, Soyabean Meal, Soyabean Oil, Soyabean Flour, Soyabean Hulls, Soyabean Middlings, Soyabean Shorts.

LONDON STOCK EXCHANGE

Companies and Markets

Gilts down as prospect of MLR cut this year recedes Equities dull on cost of engineering dispute to Tubes

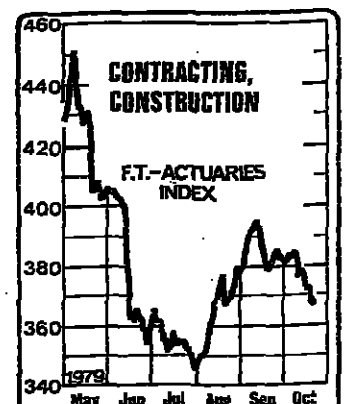
Account Dealing Dates
Option
*First Declared Last Account
Dealings Dates Oct. 22 Oct. 18 Oct. 19 Oct. 29

The latest upward pressure on U.S. interest rates, a factor which adversely affected New York share values on Friday, contributed to the pessimism being felt in London about the chances of a reduction this year in Minimum Lending Rate from its current crisis rate of 14 per cent.

Also, reflecting the current bid situation, EMI recorded 194. Dutch concern Whitson staged a highly successful debut and progressed from an opening level of 238p to 250p before settling at 243p compared with the placing price of 175p; on markings of 24, the shares were the day's most active.

Chris Moran weak
Last Friday's late revelation that Lloyd's of London is instituting formal internal statutory proceedings against Mr. Christopher Moran managing director of Christopher Moran Group, which could lead to his expulsion from the market, induced fresh nervous selling in CM which fell away steadily to close a further 8 down at 197p.

Cement Roadstone which eased a penny to 84p. In Timbers, Mallinson-Denny firmed 2 1/2 to 61 1/2p; the interim results are due next Tuesday.



Other Chemicals, Pysu put on 5 to 112p as bid hopes revived; while Sarspar Barred firmed 2 1/2 to 181p, after 19p following favourable Press mention.

details of the bid from Eagle Star. Bernard Sanley advanced 5 more to 620p. Greenest put on 2 1/2 to 123p and R. Green hardened 2 1/2 to 49p following the respective annual trading statements. Suspended last March at 90p, dealers in Estates and Agency resumed following the acquisition of Axiell House Property and the shares opened at 120p and progressed to 135p in a lively trade.

St. George's up on bid
Secondary issues provided the main points of interest in miscellaneous industrials on the first day of the new Account. St. George's Laundry jumped 1 1/2 to 48 1/2p in response to the one-for-one share-exchange offer.

Oil shares fluctuated within fairly narrow limits before moving back to dropping sharply. British Petroleum finished 4 in the good at 406p while Shell ended unaltered at 374p, after 370p. Secondary issues ended the day with some useful gains. Oil Exploration, currently in receipt of a bid from Shell, responded to Press mention with a gain of 22 to 560p.

Diamond filip
An announcement that the Ashton diamond joint venturers had made another find caused a flurry in Australian diamond stocks, making them the main feature of mining markets.

FINANCIAL TIMES STOCK INDICES
Table with columns for various indices: Government Secs, Fixed Interest, Industrial, Gold Mines, etc. and rows for Oct 22, Oct 19, Oct 17, Oct 16, Oct 15, A year ago.

HIGHS AND LOWS
Table with columns for High, Low, and S.E. ACTIVITY for various stock categories like Govt. Secs, Fixed Int., Ind. Ord., Gold Mines, etc.

OPTIONS
Table with columns for DEALING DATES, For Settlement, and RISES AND FALLS YESTERDAY.

ACTIVE STOCKS
Table with columns for Stock, Denomina-tion, Closing price (p), Change on day, 1979 high, 1979 low.

LONDON TRADED OPTIONS
Table with columns for Option, Ex'change, Closing offer, Vol., etc. for various options like BP, GEC, etc.

Mortgage jump
Mothercare highlighted Stores with a jump of 18 to 188p on the much-hyped expectation of a possible bid from BAT Industries helped Grattan Warehouses put on 4 to 136p xd, while favourable comment helped Time Products garden 2 1/2 to 78p and Fine Art Developments improve a similar amount to 72p.

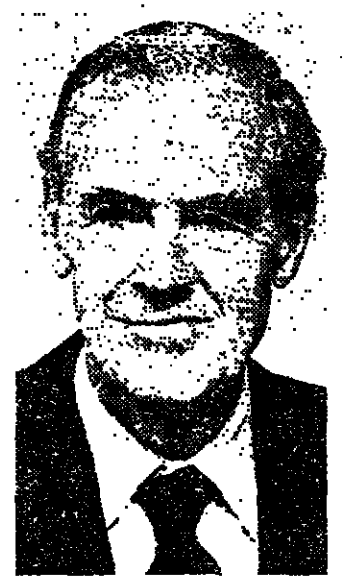
With oil prospects again the major consideration, Daily Mail advanced 1 1/2 to 47 1/2p and Associated Newspapers firmed 4 to 26p. The settlement of the long-running Times dispute prompted a gain of 4 to 389p in International Thomson; Contract Printers BPC added 2 1/2 to 42 1/2p in sympathy.

Selection Trust, also with Australian diamond exploration interests, reconstituted some of their recent falls with a rise of 10 to 540p. But Rio-Tinto Zinc, CRA's parent, fell back from early firmness, to close only 1 harder at 299p.

APPOINTMENTS

Ross Stainton joins Giltspur

Mr. Ross Stainton, chairman of British Airways, has been appointed a non-executive director of GILTSPUR, the industrial services group chaired by Mr. Maxwell Joseph.



Mr. Ross Stainton

executive vice-presidents of CITY NATIONAL BANK and Mr. Thomas L. Leo II has been promoted to senior vice-president.
The Secretary for the Environment has appointed Lady Kirk as a member of the COUNTRY-SIDE COMMISSION for three years from November 1.

EUROPEAN OPTIONS EXCHANGE
Table with columns for Series, Vol., Last, etc. for various options like ASN, ANZ, etc.

Mr. C. R. Gray retires as financial director of DUPONT on December 27 and will be succeeded by Mr. P. F. Scurluck. Mr. Gray will remain a non-executive director of the company.
Mr. Keith Walker, general manager of Bowater Foli and Paper Products, has been elected chairman of the ALUMINIUM FOIL CONTAINER MANUFACTURERS ASSOCIATION.

NEW HIGHS AND LOWS FOR 1979

Table listing NEW HIGHS (42) and NEW LOWS (62) for various sectors like FOREIGN BONDS, CHEMICALS, etc.

RECENT ISSUES

Table listing RECENT ISSUES for EQUITIES and FIXED INTEREST STOCKS.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for EQUITY GROUPS & SUB-SECTIONS, FIXED INTEREST PRICE INDICES, and FIXED INTEREST YIELDS.

* Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Cannon Street, London, EC4P 4BY, price 14p, by post 22p.

AUTHORIZED UNIT TRUSTS

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Tuesday October 23 1979

Consult Weatheralls for property

British Caledonian plans big off-peak fare cuts

BY LYNTON MCLAIN

BRITISH CALEDONIAN Airways yesterday launched proposals to cut off-peak fares from Gatwick Airport, London to 23 European cities by up to 81 per cent.

The plan, announced in Brussels will form the basis of the airline's application before the UK Civil Aviation Authority tomorrow when Sir Freddie Laker, chairman and managing director of Laker Airways, is also to make a bid for lower air fares in Europe.

The British Caledonian proposals call for operating licences to be granted by the CAA for 20 extra destinations. The airline already has regular scheduled services between Gatwick and Paris, Brussels and Amsterdam.

Two new off-peak fares are proposed for all the destinations. The "mini price" fare, up to 62 per cent cheaper than existing economy flight fares, will carry no booking restric-

London to:	British Airways single economy fares £	British Caledonian single mini-price £	British Caledonian single stand-by off-peak £
London to:			
Paris	47	31	15-50
Cologne/Bonn	52-50	35	17-50
Copenhagen	104	50	25
Oslo	116-50	55	27-50
Madrid	113-50	55	27-50
Frankfurt	66	40	20
Brussels	49-50	31	15-50
Vienna	119	55	27-50
Rome	124-50	60	30

tions or duration of stay constraints. Flights will include refreshments on the plane and packed meals at the departure gates.

Check-in for the "mini price" ticket holders is to be simplified. Passengers will be expected to check in 20 minutes before take-off.

lines would participate in the low fare schemes.

The plans provide for "mini price" flights to be shared with other airlines. British Caledonian Airways could operate one service to Munich, for example and Lufthansa a second service each day.

Mr. Alistair Pugh, managing director of British Caledonian Airways, said in Brussels that he was "totally confident that the airline would be successful with its application before the CAA." He said that Europeans could be travelling at "mini price" fares by next summer.

The "mini price" fare will be bookable either one way or round trip with no purchase conditions. The "eleventh hour" stand-by fare will have restricted availability.

There will also be a 50 per cent discount for children on the adult "mini price" fare.

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Details Page 8

Pension fund lends P.O. £50m

By Christine Moir and John Lloyd

THE POST OFFICE Pension Fund has lent the Post Office £50m to help cover the deficit of the telecommunications business. The fund's investment in the telecommunications business is running because industrial action stopped most telephone bills being sent out for six months earlier this year.

The loan from the pension fund amounts to around two months' worth of its massive inflows of £1m or so a day.

The pension fund's involvement is only a small part of the £720m the Post Office has required this month to cover its immediate deficit. Typically, the cash raised is paid back in a day or two as new revenue comes in.

The problem continues to worsen, though the industrial action, by computer staff, ended last month. The board meets today to discuss how it will fund the £1.1bn deficit it expects to face by December.

The Treasury has given permission for the pension fund to participate in this tranche of funding—to the tune of another £100m.

The pension fund was yesterday acutely conscious of the sensitive nature of its relationship with its parent.

Mr. Fred Davis, the fund's secretary, stressed that the deal involved the issue by the Post Office of a six-month debenture carrying a high, but undisclosed, rate of interest. The fund had merely taken up this debenture, he said, as it would any other "commercial transaction."

Mr. Davis was adamant that the amount of money tied up with the Post Office would not affect the fund's position vis-à-vis its normal dealings in the fixed interest or securities markets.

However, some gilt dealers have been openly commenting on the fund's absence from the market.

To cover the total deficit for the current month, the telecommunications business is believed to have borrowed £200m from its sister postal business, £200m from the National Loan Fund, £90m from the U.S. commercial paper markets and £150m from the London money markets, as well as the £50m from its own pension fund.

It faces an acute problem on borrowings to cover the £1.1bn deficit expected in December. It has received Treasury permission to raise £500m-£750m from its extended overdraft facility with the Bank of England, £200m from the National Loan Fund, £115m from the commercial paper market, £100m from the pension fund, £60m from the European Investment Bank and £50m from the money markets.

Bonn sees clouds but no slump

BY JONATHAN CARR IN BONN

WEST GERMANY'S five leading economic research institutes expect markedly slower domestic growth next year, with a virtually unchanged rate of inflation, but most of them see no serious recession looming, at home or abroad.

Despite the forecast of lower growth, the regular autumn report of the institutes, released today, makes relatively optimistic reading and Count Otto Limbsdorff, the Economics Minister, promptly announced he was in broad agreement with it.

It had been widely expected that the report might predict a serious economic downturn similar to that after the oil crisis of 1973-74. The political opposition has already been demanding tax cuts next year (a general election year) to help

boost demand in a faltering economy.

Four of the five institutes see 1980 in the main as a weak economic phase preceding better things. Only the Kiel University Institut fuer Weltwirtschaft (Institute for International Economics) takes a markedly gloomier view. But all agree that nothing is to be gained either from a short-term public expenditure boost or from tax cuts.

The majority expectation is that real economic growth next year will fall to about 2.5 per cent from at least four per cent this year, and that the inflation rate will remain steady at about 4.5 per cent.

There is not expected to be any serious weakening in export business, while it is assumed that wage agreement this

winter will be reasonable, despite the demands of trade union members for rises above the inflation rate, and that business investment will not be sharply cut.

The institutes foresee real export growth falling from this year's rate of 7 per cent to 4.5 per cent. But they believe that increased demand from the Socialist bloc will help compensate for a fallback in the West.

They also believe that most companies can deal with falling demand next year through a cut in overtime or introduction of short time working rather than through dismissals.

Finally, the institutes strongly urge the Bundesbank to set a target for the growth of money supply in 1980 of about 7 or 8 per cent at an annual rate.

Vauxhall may vote on 'final' pay offer

By Phillip Bassett, Labour Staff

VAUXHALL MOTORS may finally vote on its strike-bound workers' £8,000 hourly-paid offer at its strike-bound Ellesmere Port plant on its "final" 17 per cent pay package.

The possible move, now being considered by the company, follows BL's decision to ballot its 164,000 workers on the restructuring plans of Sir Michael Edwards, the BL chairman, which would partly or fully close some plants with a loss of more than 25,000 jobs.

The Vauxhall plan was put to national union officials and shop stewards at a meeting in Coventry yesterday, after the company forcefully pointed out to the leaders of the Ellesmere Port strikers that more than 70 per cent of its total workforce of 26,000 had accepted the offer.

Whether a ballot goes ahead may depend, though, on the outcome of a mass meeting of the 5,000 members of the Amalgamated Union of Engineering Workers at the plant, which is likely this week.

AUEW officials at the plant have so far refused to hold a meeting until the company improved its offer. But Mr. Gerry Russell, AUEW national executive member, said after the talks, which the union had requested yesterday, that Mr. John Durbin, AUEW convenor at the plant, had now agreed to put the offer to his members.

Mr. Russell urged the strikers to return to work pending further talks, and to end the secondary picketing of car showrooms and supply routes to the company's southern factories at Luton and Dunstable.

No picketing was reported to be taking place on Merseyside yesterday. But solicitors for the car dealers Garlick Burrell and Edwards are ready to press contempt of court proceedings if pickets today ignore an injunction last week restraining their action.

Vauxhall stood firm yesterday, though, that it would not improve its offer. One union official said that, if anything, the company had "on a hard line" than at previous meetings.

Union officials at Ellesmere Port claim that the offer gives increases not of 17 per cent but of 13.7 per cent.

The company yesterday restarted limited production of vans and trucks at its two southern plants after recalling about 4,000 workers who had been laid off.

The remaining 1,500 workers who are still laid off seem unlikely to be recalled until a settlement at Ellesmere Port restarts a flow of essential components to Luton and Dunstable.

Ford pay offer Page 9

Weather

UK TODAY
DRY in eastern and central parts. Rain clearing from south. Cloud and some rain in West. London, E. Anglia, E. Midlands, S. Wales, N. Ireland.

Mainly dry. Some cloud. Max. 13C (55F).
E. England, E. Scotland, Orkney and Shetland.

Mainly dry. Bright intervals. Max. 11C (52F).
S.E. and N.W. England, W. Midlands and W. Scotland.

Cloudy, some rain. Max. 12C (55F).
Cent. S. and S.W. England, Wales, Isle of Man and Ulster.

Rain, bright intervals later. Max. 13C (55F).
Outlook: Mainly dry but cloud and rain spreading from West.

WORLDWIDE

City	F	Y'day	City	F	Y'day
Alicante	20	19	London	13	11
Algiers	26	25	Lyon	12	11
Amman	10	9	Madrid	17	16
Athens	18	17	Munich	11	10
Bahrain	31	28	Nairobi	21	20
Bangkok	30	28	Paris	12	11
Beirut	18	17	Perth	22	21
Bombay	27	26	Rangoon	23	22
Buenos Aires	11	10	Riyadh	25	24
Calcutta	28	27	Singapore	25	24
Cairo	20	19	Sydney	21	20
Cardiff	10	9	Taipei	21	20
Cebu	26	25	Tokyo	18	17
Dublin	11	10	Toronto	22	21
Hong Kong	25	24	Washington	15	14
Jakarta	27	26	Zurich	11	10
Kuala Lumpur	27	26			
London	13	11			
Los Angeles	18	17			
Manila	27	26			
Mexico City	20	19			
Moscow	11	10			
Nairobi	21	20			
Paris	12	11			
Perth	22	21			
Rangoon	23	22			
Riyadh	25	24			
Singapore	25	24			
Sydney	21	20			
Taipei	21	20			
Tokyo	18	17			
Toronto	22	21			
Washington	15	14			
Zurich	11	10			

Carrington puts pressure on delegates

BY BRIDGET BLOOM

LORD CARRINGTON, Foreign Secretary and chairman of the Lancaster House conference on Zimbabwe Rhodesia, yesterday fired the first formal shots in a campaign to push the warring Rhodesian parties into agreement on how to implement the newly-agreed British constitution.

The talks, now in their seventh week, opened yesterday with sharp exchanges between Lord Carrington and Patriotic Front co-leader Mr. Robert Mugabe. They adjourned after 30 minutes following Lord Carrington's presentation of a two-page document containing Britain's proposals for the independence transition.

The new document, to which the Foreign Secretary himself apparently put the finishing touches yesterday morning, is delicately phrased but is unlikely to please either Bishop Muzorewa's Salisbury team or the Patriotic Front.

The plan centres on a resumption of direct rule in Rhodesia by Britain. The 13 paragraph document declares that the first step must be scrupulously fair and impartial elections. It will be Britain's "constitutional responsibility as recognised in the Lusaka (Commonwealth summit) communiqué" to see that this happens.

Britain, therefore, "is prepared to appoint a governor, who would have executive and legislative authority." He would have overall control of the election which would be supervised by an election commissioner.

The critical military arrangements necessary during the run up to elections are covered in three paragraphs which beg almost as many questions as they answer. The commanders of the security forces will be responsible to the governor who will assume authority over the civil police.

Both delegations said yesterday they would study the British plan and expect to meet again tomorrow.

Sir Anthony Duff, the top Foreign Office official at the Lancaster House talks, is in hospital for a hernia operation. His place is being taken by Sir John Graham, now ambassador in Iran, who was the senior official in charge of southern Africa when Dr. David Owen was Foreign Secretary.

THE LEX COLUMN American setback for Midland

The abrupt termination of Midland Bank's ambitious \$320m takeover of Walter E. Heller Corporation came too late to have any real impact on the Midland share price.

Both sides were keeping their heads down yesterday so there is no easy explanation of what has gone wrong.

From the outset the deal looked an expensive one even by the heady standards set by other foreign banks wanting to buy into America. Midland offered roughly double net asset value for a sprawling financial conglomerate. The price of \$42.50 per share compared with a stock market price of around \$17 earlier this year. While the stock market accepted the logic of Midland's need to get into America the immediate economics of the deal never looked particularly attractive to Midland Bank shareholders.

Heller seemed capable of generating pre-tax profits of \$60m, just about enough to cover financing costs but not more.

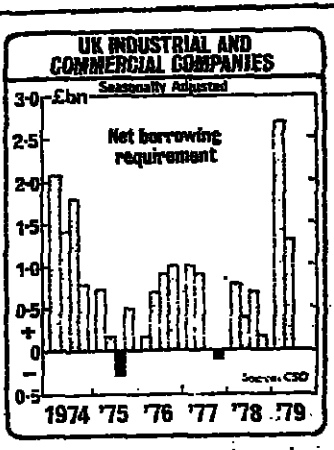
Since then financing costs have shot up in America. The Fed Funds rate has jumped from 10 1/2 per cent to around 18 per cent and three-month euro-dollar rates are up from 11 1/2 per cent to over 15 per cent. If it had proceeded Midland would have probably failed to wash its face on the deal. In addition, there is no knowing what higher interest rates have done for Heller's domestic U.S. business. But Midland's shareholders deserve some sort of explanation. As for the share price, which has fallen by 12 per cent since the deal was announced, the short term verdict must be positive.

Company profits

Tube Investments' sad story of the £20m of profits lost through the engineering dispute highlights the current plight of the company sector. Although the company sector statistics published yesterday show some improvement for the second quarter after the first quarter, the outlook for January-March, there is a clear implication that the trend is worsening again in the second half of the year.

After the sector deficit of £1.67bn estimated for industrial and commercial companies in the first quarter, April-June showed the effects of recovery from the worst impact of the winter's bad weather and strikes. The deficit shrank to £0.71bn which was, however, still bigger than any quarter last year. Meanwhile the net borrowing requirement of the

Index fell 3.1 to 466.7



resignation of the finance director last month have cast a cloud over the Mothercare share price recently. But a 47 per cent jump in interim pre-tax profits to £10.3m (excluding property profits) and an unexpectedly generous 43 per cent increase in the interim dividend indicated that any doubts about the group's performance are misplaced. The shares closed 18p higher at 185p where they stand on a prospective yield of 3.6 per cent.

As before it is Mothercare's quality UK retailing business that has provided the bulk of the improvement. Sales volume of the existing shops rose by 12.8 per cent and new stores added another 3.6 per cent. Because some 60 per cent of Mothercare's UK merchandise is zero-rated the impact of higher VAT had less impact on sales than has been the case with other retailers. Even so the performance is impressive. First quarter sales growth of 32 per cent was followed by a second quarter increase of 22 per cent and the group is confident that it can keep volume moving ahead strongly in the second half. On this basis pre-tax profits for the full year should rise from £15.7m to £21m putting the shares on a fully taxed multiple of under 12, which seems undemanding for the stores sector.

The other bit of good news in the results was the sharp reduction in the U.S. losses. Mothercare's U.S. volume rose by 24 per cent and there is even talk of the group breaking even in the second half of 1979-80.

Insiders

The Government is risking divine retribution in its attempt to legislate against insider dealing. On the two previous occasions when this has been tried, the Government in question has instantly been booted out of office. But there is a good case for getting the latest proposals on the Statute Book without further delay.

The issues have been fully debated through most of this decade, and the City's self-regulatory bodies are all agreed that some form of legislation is necessary. The latest proposals appear to fulfil most of the recommendations made last year by the Council for the Securities Industry. Since prosecutions will not be made without the approval of the Department of Trade or the Director of Public Prosecutions, there should be no need to fear frivolous actions.

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